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West Europe Report

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POLITICAL

BELGIUM

SUMMARY OF NEW GOVERNMENT PROGRAM PUBLISHED

Brussels LE SOIR in French 25 Nov 85 p 2

[Article by Guy Depas and Jacques van Solinge]

[Text] What monsters and what mice did Stuyvenberg give birth to? To give our readers a clear picture of the comprehensive program of the government now being formed, we have chosen the telegraphic format. The following brief paragraphs summarize the provisions of that program in various sectors of interest to many of our citizens.

Economic Sector

Wages: the norm based on competition put into effect by Martens V will be continued in 1985 and 1986. If there is no management-labor agreement, the government will act as the authority from 1987 to 1989.

Inflation: a drop in prices through a policy which favors competition, including that among financial institutions.

Investments and industry: maximum initiative by the private sector as a result of tax incentives rather than subsidies.

PME [Small and Medium-Size Businesses]: reduction in social security contributions, administrative simplification.

Construction: continuance of the present incentives until May 1986. Subsequent deliberation, if an overall restructuring plan is not put into effect in time. No change with regard to rents.

Saving: promotion of risk capital, particularly through a system which encourages supplementary pensions to replace the Monory-De Clercq plan.

National industrial sectors: nothing changed, contingent upon discussion to be held at part of the 1986 budget process.

Scientific policy: promotion of private research and new orientation with regard to certain public investments.

Energy: economy in usage. Drop in import prices. New nuclear and coal-fired power plants. Strengthening of participation by the private sector. Protection of small-scale consumers.

Democratization of business in general: representation by managerial personnel and better dialogue with the workers.

Budget: deficit to be brought to 7 percent of the GNP by the end of 1989 and to 8 percent as early as 1987. Special powers. Keep a close watch on fiscal expenditures.

Budgetary economies: repeat the measures taken in 1985. Confirmation of rise in the 1986 index.

Public enterprises: reduced program. Creation of jobs. Financing above and beyond the budget. Selectiveness.

Civil service employment: personnel expenditures reduced by 1 percent per year, without layoff.

Fiscal and associated systems: no tax or new social assessments. Plan to reduce the tax on individuals 4 years of age confirmed. Taxpayer instructions.

Social Sector

Employment: 50,000 fewer unemployed youth in 4 years. And: reduction in company social charges; flexibility in every respect.

Unemployment: allotments based on the duration of the unemployment, income and family make-up. Exclusion in case of the refusal of a "suitable" job opportunity.

Youth: same training period for all and possible extension of military service.

Pensions: gradual harmonizing of all systems.

Prepensions: eligibility age raised. Fiscal arrangement identical to that of pensions. Work authorized as in the case of retirees.

Health care: financing of hospitals and technical research on package-deal basis. Less doctors and fewer wasteful doctors. Number of VIPO and reimbursement commensurate with income and family situation.

The poor: increase in the minimum in excess of the index.

The handicapped: supplementary allotment in addition to the substitution allotment.

Social security--all sectors: recipient instructions. Priority given to the neediest.

Families: family allotments increased as foreseen. Uniformity in administration. Longer job leave for family reasons (maternity).

Abortion: Parliament will decide.

Brussels

State reform: re-evaluation of the government-executive concerted effort committee. Regulation pertaining to the expense of social housing based on the financial capability of the regions. Establishment of an individual treasury for each community and region.

Brussels: participation by the president of the executive branch in the concerted effort committee. Redistribution of the responsibilities of the built-up areas, in the direction of either the region or the communes. Access of the Brussels communes to the Assistance Fund for the Recovery of the Communes until 31 March 1986. Beginning in 1986 and under certain conditions, the region will be authorized to dispose of income from estate taxes.

Administration(s)

Provinces, communes: strengthening of the autonomy and financial responsibilities of the provinces and local governments. Revision of the communal law. Relaxation of certain protection procedures. Democratization and control of the intercommunal organizations.

Civil service employees: determination of length of service in civil service jobs. Overall respect for the laws on the use of languages in administrative matters.

Justice: reform of the law on preventive detention, the prison system and the penal code.

Miscellaneous

Immigrants: encouragement of the juridical and genuine integration of immigrants in respect for the right to be different. Intensification of the control of the immigration decree. Broadening of the system of awards for voluntary rehiring of the long-term unemployed. Establishment of a system aimed at promoting the voluntary rehiring of immigrant workers in their native country in case of the reorganization or closing of any of our domestic firms. Renegotiation of agreements with countries where emigrants are involved to limit social security payments intended for foreigners outside the EEC and living abroad.

Television: eliminate the monopoly of public institutions by the creation, through commercial advertising, of possibilities for increased private initiative.

Security: strengthen the police force and resources. Centralization of research and judicial investigation in cases of major crimes (if necessary, through the creation of a corps of judicial police of national scope). Expansion and standardization of the communications systems of the various police branches. Improvement in the training and equipping of the various police corps. Modification of the legislation on the sale of firearms.

Educational sector: from the primary grades on, promote the teaching of a second language. Provide guarantees for equitable remuneration in all scholastic branches. Prepare a bill calling for a constitutional revision permitting the communes to assume responsibility for the scholastic system. Systematic organization of refresher courses for teachers.

North-South dialogue: at the end of the legislative session, allocate 0.7 percent of the GNP for public assistance aimed at promoting development.

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5 March 1986

POLITICAL

DENMARK

JORGENSEN'S HANDLING OF EC ISSUE LEADING SDP INTO CRISIS

Copenhagen BERLINGSKE TIDENDE in Danish 10 Jan 86 p 8

[Editorial: "Party Leader's Crisis"]

[Text] It is Anker Jorgensen's leadership which has caused the drama concerning the issue of EC--a drama, which as far as concerns Jorgensen can lead to his downfall as the Social Democratic leader and which also can cause a crisis which only can end with a parliamentary election. Anker Jorgensen became party leader and prime minister because, in contrast to many other social democrats and national leaders, he had proclaimed himself a supporter of Denmark's membership in the European Common Market, and thereby had become involved in the battle along with Jens Otto Krag for a "yes". This pro-European position now may become his undoing. The deep split among the Social Democrats in 1972 has become pronounced again, and it is Anker Jorgensen's lack of willpower and ability which underlie the crisis which culminated in the parliamentary delegation's meeting on Wednesday and may cause a crisis for the government which only can be ended in an election.

Anker Jorgensen's latest public pronouncements on the matter must be construed as if he--under the influence of the position of LO [Danish Federation of Trade Unions]--were determined to deliver a Social Democratic "yes," and the reasons which perhaps should underlie that would be of inconsequential significance. When he met his group, it must have been shocking for him to discover that the general mood was against such a position. If he had solicited the group for support for his position, he would not have received it. If he had requested a vote, he would have been in the minority. In view of this, he can only have slight hope that /he/ can convince the group that it should follow him. He still has the possibility of making the decision into a matter involving a vote of confidence for himself. But does he dare? Will there not be powerful forces within the group which will use the occasion to make a change in leadership which the party seems to need so badly? In their arguments, they can point to a great many things other than just the immediate situation.

Such a dramatic way out of the Social Democratic crisis however would have some consequences--possibly great upheaval. A "no" on the EC package would mean that Denmark would be required to say "no". It is a "no" which the governing parties cannot support. The result would be the call for a parliamentary election. And what about after that? Will the Social Democrats give

in if the government is allowed to continue? What would a possible Social Democratic government do? It likely would be obligated to maintain its "no" and therefore would have to prepare itself for the fact that EC membership could not be continued, and that could have the most profound results for our society. Or would the Social Democrats--if they should again acquire governing power--change their "no" to "yes"? In such a case it would be a confirmation that the current drama primarily involves Anker Jorgensen and his leadership.

There must be some within the Social Democratic parliamentary delegation who are aware of how serious this crisis can become. Perhaps it involves only Anker Jorgensen and his failed leadership, but it quickly could come to involve much more--something which is far more serious for both the Social Democrats and the country.

12578

CSO: 3613/58

POLITICAL

DENMARK

POLL INDICATES EC MEMBERSHIP WOULD HOLD MAJORITY IN VOTE

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 86 pp 1, 7

[Article: "Gallup Poll: Majority Support Continued EC Membership"]

[Text] Although support for EC membership has fallen slightly, there is a continued majority in favor of Denmark continuing to belong to EC--should it progress so far as a national referendum on the issue.

Opposition to EC membership has increased subsequent to the national referendum on Denmark's joining EC in 1972. Opposition has increased by 11 percent to 44 percent. Of the opponents, however, only slightly more than half definitely would vote for withdrawal from EC today if there were a new national referendum. Thus, there remains a comfortable majority for Denmark's membership in EC.

The foregoing appears from a just-published Gallup analysis involving 1,000 people.

To the question whether one would vote today for Danish membership, 38 percent answered "yes," 44 percent answered "no," while 18 percent were undecided.

Thereafter, Gallup went further and asked opponents of continued EC membership whether they definitely would vote today for a withdrawal. Of those questioned, 58 percent would vote for a withdrawal, 14 percent against it, while 28 percent were undecided.

The survey concludes that the overall responses still constitute a majority for our membership, since only 45 percent would support a withdrawal, while 55 percent would oppose it.

Until the European election in 1984, support for Denmark's continued membership in EC was on the increase, and this support is thought to have continued after the European election.

The foregoing appears from the latest series of trend surveys which the Gallup Institute has made prior to, and since, the national referendum in October, 1972.

In these surveys, a representative sample of voters, consisting of 1,000 respondents, have been asked the following question:

/"If you were to vote today on supporting the European Common Market, would you vote for or against Danish membership?"/

The latest survey was carried out in December, 1985, and in the following summary the results of the survey can be seen; it shows a comparison with the results from the earlier surveys:

		For	Against	Undecided	Total
		%	%	%	%
2 October	1972	57	33	10	100
February	1973	51	37	12	100
May	1972	46	43	11	100
October	1973	42	43	15	100
March	1974	42	42	16	100
May	1974	38	43	19	100
August	1974	31	53	16	100
October	1974	37	45	18	100
April	1975	40	41	19	100
August	1975	45	41	14	100
March	1976	40	43	17	100
May	1977	39	43	18	100
April	1978	40	37	23	100
February	1979	38	40	22	100
26 May - 30 May	1979	33	48	19	100
December	1979	31	39	30	100
May	1980	36	43	21	100
December	1980	33	48	19	100
May	1981	35	46	19	100
March	1982	35	42	23	100
December	1982	35	48	17	100
September	1983	31	43	26	100
April/May	1984	34	47	19	100
May/June	1984	37	42	21	100
May	1985	39	40	21	100
December	1985	38	44	18	100

As is apparent, support for EC membership has fallen slightly in that the opposition has increased from 40 to 44 percent. And if one ignores the "undecided" group, the figures for the most-recent four surveys are as follows:

	Sept 83	April/ May 84	May/ June 84	May 85	Dec 85
	%	%	%	%	%
For	42	42	47	49	45
Against	58	58	53	51	55
Total	100	100	100	100	100

It should be noted, however, that in fact there is no vote on support taking place today. This does not mean that one can be certain that a national referendum would result in favor of withdrawal now that we actually are a member of the Common Market.

Therefore, the following question was posed to all opponents of membership as well as to those who had responded "undecided":

/"If you were to vote on Denmark's withdrawal from EC, would you vote for or against withdrawal?"/

The results were as follows:

	%
For withdrawal	58
Against withdrawal	14
Undecided	28
Total	100

"Only" about 60 percent of the opponents would go so far as to vote for Danish withdrawal, while 14 percent would vote against it, and 28 percent were uncertain.

If these figures are juxtaposed to the response in the first question and the "uncertain" responses are ignored, they say that the result of a national referendum today on the issue of withdrawal from EC would have the following results among those participating in the referendum.

	%
For withdrawal	45
Against withdrawal	55
Total	100

Thus, there is a comfortable majority in favor of Denmark's continued membership in the European Common Market.

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POLITICAL

DENMARK

FOREIGN MINISTER ATTACKS CP CHIEF FOR COMMENTS ON USSR

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 86 p 8

[Article by Helle Ravn Larsen: "Foreign Minister Uffe Ellemann-Jensen: 'Pitiful Comments by Danish Communist Party Leader'"]

[Text] Foreign Minister Uffe Ellemann-Jensen (Liberal) regrets and does not understand why things are moving so sluggishly in solving cases involving Danish-Soviet couples. He raises a question concerning how seriously one can take the Soviets' signature, for example, on the Helsinki Accords.

"We continue to press the issue and bring it up at every opportunity. It is difficult, and I fail completely to understand why it is moving so sluggishly," states Foreign Minister Uffe Ellemann-Jensen in a comment on the fact that none of the cases involving reuniting Danish-Soviet families--which the minister discussed in the United Nations with his Soviet colleague--has yet to be resolved.

"I have difficulty seeing how one can believe that the Soviets have any serious intentions respecting their signature, for example, on the Helsinki Accords, when they cannot be accommodating in such a purely human-rights matter," states Uffe Ellemann-Jensen.

BERLINGSKE SONDAG discussed the cases, of which the most familiar is the one involving the Danish woman Lise Petersen and her Soviet husband, chess-journalist Vladimir Pimonov, who, despite serious kidney disease, has been waiting for over a year-and-a-half for permission to travel to Denmark to be united with his wife and little daughter.

Another case involves an 85-year old woman who wants to visit her children.

The chairman of the Danish Communist Party, Jorgen Jensen, does not have strong feelings about the Pimonov case. Jorgen Jensen believes that Pimonov ought to relax a bit. He has been involved with work during the past five years which has the effect that he cannot receive permission to leave and he knows that perfectly well himself.

In response, the foreign minister states: "I think that Jorgen Jensen's statements are rather pitiful."

Birthe Ronn Hornbech (Liberal) finds it a bit disquieting that a Dane (Jorgen Jensen), who has grown up in our democratic system can respond that the Soviet Union will not grant an exit visa to a Russian who is married to a Dane.

"I wonder what Jorgen Jensen has to hide? What his paradise on the east side of the iron curtain has to hide. If there is nothing to hide, one should at least take the opportunity to explain why an exit permit is being denied.

"In my opinion, it is a fundamental personal right that we must decide for ourselves what our position will be.

"How can one make reliable agreements with a society which suppresses personal liberties to that extent?" asks Birthe Ronn Hornbech.

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POLITICAL

DENMARK

CP CHAIRMAN JENSEN DENIES PLANNING TO STEP DOWN

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 86 p 8

[Article by Jorn Mikkelsen: "Jorgen Jensen to Stay"]

[Text] The chairman of the Danish Communist Party denies that he is considering resigning.

The chairman of DKP [Danish Communist Party], Jorgen Jensen, denies that he has so much as even considered resigning at the next DKP convention in December. He thereby has distanced himself from the rumors from sources within the Communist Party.

"I will continue if the party still wants me as its leader. I still feel that I have much to contribute," states Jorgen Jensen, who is 65. He became chairman of DKP in 1977 when Knud Jespersen died and in the most recent years has faced increasing opposition in DKP, which finds him too boring and dogmatic simultaneously with the party's election results gradually having approached the zero point.

Informed sources close to the Communist Party maintain nonetheless that serious consideration is being given within the party to replacing Jorgen Jensen in the up-coming party convention--the date of which will be set soon, but which likely will be held in December. The nature of these considerations is not being explained further.

The same sources point to Jens Peter Bonde--an effective member of the EC Parliament for the Popular Movement Against EC--as a proposed candidate to succeed the current chairman, but Jorgen Jensen categorically denies this.

"I cannot imagine that Jens Peter Bonde would become the chairman of DKP. I also do not believe that he himself is interested," says the current DKP chief. He also rejects the rumors that the chairman of the Popular Movement Against EC, Else Hammerich, should also be considered as a successor.

"She is not even a member of the party," states Jorgen Jensen.

The term of office for the chairman of DKP is three years. If Jorgen Jensen is reelected, he could remain as chairman until the end of 1989.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

LEADING ACADEMIC ANALYZES UNIVERSITIES' PROBLEMS, PROSPECTS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 9 Nov 85 p 17

[Article by Theodor Berchem, president of the West German Conference of University Presidents: "Dream Profession Without A Chance? The Unemployed Professor"]

[Excerpts] Not Even the Top People Have Much of a Chance

Our college system experienced an enormous quantitative expansion in the 1960's and early 1970's. In that period of time, jobs for scientific personnel rose from about 17,000 to almost 70,000, roughly parallel to the dramatic growth of the student population. This resulted in the radical rejuvenation of the teaching body's age structure. In 1977, for example, only 15 percent of professors and lecturers were older than 55, nor has the situation changed much since. As a consequence, the rate of retirement will be very low until the early 1990's, and the need for replacement will then rise disproportionately at the end of the 1990's.

If the age structure were balanced, an annual renewal rate of 4 percent would be just about normal. Instead, according to the results of a poll conducted by the West German Conference of University Presidents early this year, well the rate will be around 2-3 percent until well into the 1990's--in many cases even much lower. In 1986, for instance, we will need to replace only 1.4 percent of the teaching body. In absolute figures, that means 280-300 professorships confronting some 1,000 people who annually qualify for such jobs. By the mid-1990's, on the other hand, the need for replacements will rise to well above 3 percent (and in some disciplines higher yet)--provided the finance ministers do not step in first and abolish the jobs.

The greatest cause for concern is represented by the fact that, with regard to some disciplines, some universities will not have a single new permanent position available for several years, and several vacancies will then occur simultaneously. Consequently, while now even the best are unable to get a job, not enough well qualified people will later be available.

We are going to be faced with the very worst scenario if the best people leave academia in the meager years, while second rate people are appointed professors in the fat years, and if that process keeps on being repeated.

We know from experience that good people endeavor to attract equally good or better fellows, while the mediocre fear the better qualified competitor. Once mediocrity's fears gain the upper hand in the appointment procedure, we get what I once, derisively, called the "autodynamism of decadence." The ones to suffer are not only good young scholars but scholarship and research in general and the universities in particular. We must prevent such a development at any price.

To begin with some good news: The minister presidents of the Laender have by now considered the memorandum that the West German Conference of University Presidents and other major scholarly organizations submitted late last year with the heading "On Safeguarding the Efficiency of University Research and Encouraging the New Generation of Scholars." This memorandum is basically concerned with the creation of additional permanent posts in accordance with the "Fiebigger Plan" (named after the president of Erlangen-Nuremberg University).

The minister presidents resolved: "The Laender heads of governments view with concern the pronounced imbalance in the age structure and the ensuing low replacement rate for new appointments at the universities. Taking into account the differences prevailing in the Laender with regard to the age structure of college teachers and various earlier overload measures and consonant with their respective financial possibilities, they therefore consider it imperative to do everything possible to strengthen the efficiency of the universities and in this context to improve the promotion of the new generation of scholars."

The Laender's willingness to act upon these recommendations varies a good deal. The greatest advances have been recorded in Baden-Wuerttemberg, Bavaria and Berlin. The Rhineland-Palatinate, too, has notified the West German Conference of University Presidents of concrete measures to be adopted.

In the other laender, matters seem still to be in a state of flux. It is to be expected that the poorer laender will hesitate most, unless the Federal Government is going to discharge its constitutional coresponsibility for the promotion of scientific research by making a financial contribution. In any case, it would be important in this issue to arrive at a general program encompassing all the Laender. The university system is a coherent whole, and though we have every understanding for the much lauded differentiations: A differentiation by richer and poorer laender has little relevance to the desirable competition for quality.

Upon this point, we are at one with the educationalists regardless of party or land. However, we must ask ourselves whether that is enough. After all, we have learned often noticed that the real "secret advisers" [untranslatable pun in the original] on university policy are located in the finance ministries.

Even worse is the offer made by the eleven finance ministers, regardless of their political affiliation, in connection with the discussions of the so-called overload report by the conference of ministers of education. I must mention this here, though ostensibly it deals only with study and apprenticeships, training and the student "mountain," not research and the new

generation of scientists. Still, as long as we stick to the principle of the unity of research and teaching at our universities, the two are indeed connected, rather like a system of communicating pipelines. It is not realistic to consider issues regarding the quality of research and the new generation of scientists outside the context of the present-day large-scale university.

Commenting the overload report of the conference of education ministers, the finance ministers flatly asked them to cope with the student mountain in a "cost neutral" manner. They think--and some of them tried to justify their view by precise proposals--that sufficient reserves of efficiency are still available in the total system to educate the anticipated additional 200,000-300,000 students without additional money and, on top of all that, carry out rearrangements so as to switch students from less promising (in other words liberal arts) studies to the more promising fields (in other words natural and engineering sciences). Just by the way, as we well know, the latter are considerably more expensive. The finance ministers also said very plainly indeed that they wish to make permanent the present overload situation, meaning that the instructor/student ratio is not to be improved when the student population declines; instead, jobs are to be abolished.

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CSO: 3620/154

POLITICAL

FEDERAL REPUBLIC OF GERMANY

CHANGES SEEN IN ROLE OF UNIVERSITIES, TECHNICAL COLLEGES

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 27 Nov 85 p 12

[Article by Kurt Reumann: "The Wishes of the Technical Colleges"]

[Text] The technical colleges are asking themselves how to keep abreast in their competition with the universities. And yet it is by no means a matter of course to quietly assume that the technical colleges are actually competing with the universities. In his "recommendations regarding competition in the German university system" (1985), the council of scientists simply omitted all mention of the technical colleges--as if they had nothing to contribute to the performance competition. However, the technical colleges certainly wish to keep up, not only in terms of teaching but also in terms of research. At its annual general meeting in Bad Kissingen, the Union of College Teachers, representing at least 3,000 technical college professors, complained that the technical colleges were starved of the resources needed to do better in the competition. Have we in fact arrived at the point when one or the other technical college could be given university status while, conversely, one or the other university should be converted into a technical college?

Competition for Students

At this time, the institutions of higher education--whether universities or technical colleges--are barely able to cope with the influx of students. However, smaller age groups will soon be of college age, and then many a university will need to learn and appreciate that the technical colleges have turned into a serious competitor for students. There is not the shadow of a doubt: The technical colleges' strength is represented by their courses of instruction, and these courses are relatively short, relevant and practice related--provided they are the way they ought to be. Due to the practical nature of his training, the technical school graduate has little trouble to fit into the profession studied; he is unlikely to suffer the shock often administered to the university graduate starting work in the real world. Furthermore, the average technical school graduate enters professional life after 4 years. His university rival, on the other hand, needs to labor 1-3 more years at school and, moreover, tends to be trained in pure theory rather than in the transfer of conceptions to practical results.

It is not surprising, therefore, that technical school graduates do well on the labor market. Certainly they quickly get jobs if they come from engineering-technical and economic disciplines--and these are the key departments of the technical colleges. Should they get slightly lower starting salaries than university graduates, they make up that difference by the time the competitors of their age group have finished with their dissertations at the university. When the university graduate is ready to apply for a job, the technical school graduate may well quote the story of the tortoise and the hare and say "I am already here."

Commerce and industry prefer to hire a university graduate only if the work to be done involves invention more than application and therefore requires sophisticated methodological knowledge. Moreover, due to their greater self-confidence, initiative and flexibility, university graduates are more often tapped for senior management. However, neither commerce nor industry acknowledge career barriers, and technical college graduates, too, may rise to the most senior jobs. Examples abound.

The situation is completely different in the civil service. Starting salaries for technical college graduates (A8/A9) are far more modest than those paid university graduates (currently A12). That was one of the main reasons why, up to now, many secondary school graduates preferred university to technical college courses. Educationalists regret this state of affairs. In Bad Kissingen, North Rhine-Westphalian Science Minister Brunn and Bavarian Education Minister Maier agreed that the career paths for the civil service need to be changed. While Anke Brunn may be more concerned with equality of opportunity, Maier probably thinks mainly of educational reasons: It would be more satisfactory to train more students at technical colleges in courses related to practical work. At present, the ratio of university to technical college students is 2:1. Many experts believe that it should be the other way round.

Still, interior and finance ministers are the ones to decide any change in career paths--not the ministers of education--and they have some reservations. At least Federal Education Minister Wilms has now managed for the first time to get the Bonn Cabinet to discuss the topic of salaries and opportunities for promotion of technical college graduates in the public service. There is definitely some easing of the situation, because the civil service is no longer the outstanding employer of college graduates. The vast majority of graduates work and succeed in private business.

Cultivating Their Strong Points

If their graduates are to continue having plenty of opportunities on the labor market, the technical colleges will have to remain true to themselves and cultivate their strong points: The combination of instruction and practical work. However, many professors at technical colleges are dissatisfied with their lot; they are hankering for research. At a time when it has become doubtful whether the university will be able to maintain its ideal of the unity of research and teaching, the technical school professors postulate the unity of teaching, practical work, development (of products) and applied research. At the same time they are quite aware that the border between

applied and basic research tends to be fluid. Barely 15 years after having been promoted from technical schools to technical colleges, they would like to be equal with though not the same as the universities: Scholarly colleges. They derive the legitimacy of this claim from the suggestion that promising and practice oriented teaching is impossible unless fertilized and kept up to date by practice related (applied) research,

Many representatives of the technical colleges believe to be capable of competing with university professors in (applied) research, provided they are allowed to work in comparable conditions. Accordingly they request more time for research (something that could be achieved only by reducing the teaching load). They also desire better material equipment and more personnel (this does not mean just assistants and institutes). A minority even wishes to have the right to confer doctorates. The Union of College Teachers, on the other hand, prefers to lead its members along the middle path.

True, many of these claims sound exaggerated. Still, it would be equally one-sided to confine our answer to the reminder that some of the technical college professors do not even have doctorates. In Bad Kissingen, the delegates from the technical colleges demonstrated their commitment and inventiveness with regard to the discovery of research gaps and their capacity to close these gaps. The justice of their claims will therefore have to be individually examined.

Technical college professors are still underestimating the danger that the benefits desired may be linked to disadvantages. Assistants: Would that not mean that sooner or later the direct contact between professors and students would tend to be lost? Institutes: Would that not mean that the strictly hierarchic organization of institutes would come to join the collegial constitution of the technical colleges--with all the conflicts this involves for the universities?

At the present time we not only have the attempt by the technical colleges to come closer to the status of the universities. Many a university in fact is more or less converting to a technical college by providing professional training for crowds of students and increasingly embarking on applied research. The danger therefore needs to be contemplated that the technical colleges might be ground between two millstones: The universities which are increasingly turning to practical topics and the professional academies which might take the place of the technical colleges by offering short and practical courses of instruction if the technical colleges were to play university by increasingly long and more theoretical courses. At the same time, these warnings should not prevent anybody from considering the justified wishes of the technical colleges.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

FREIBURG GRADUATES FACE UNEMPLOYMENT, 'ALTERNATIVE' WORK

Frankfurt FRANKFURTER RUNDSCHAU in German 30 Nov 85 p ZB1

[Article by Karl-Otto Sattler: "The Teacher as a Taxi Driver--Unemployment for University Graduates Seen in the Example of the University City of Freiburg"]

[Text] When Uwe Wilsser wanders through the corridors of the sober functional building on Eckerstrasse, he always notices a cluster of people at the same location: Where the sign on the door advertises services for university graduates people are jostling each other. The Freiburg Labor Exchange has its offices at Eckerstrasse 1. And university graduates are a "problem group" in official parlance on the local labor market in the university city. The prospects that Uwe Wilsser, whose office is responsible for finding employment for people, will continue to see the same cluster of people at the same location over the next few years are great: The number of university graduates will increase.

Actually, Baden-Wuerttemberg is considered to be a bright spot in the gray sea of the federal German labor market. The numbers are considerably below the federal average. In July 1985, the "little state" recorded 5 percent unemployed, whereas the Federal Republic recorded a total of 9 percent unemployed. However, the 180,000-strong residential commune on the upper Rhine River stands at an "absolute peak," according to an employee of the labor exchange. Although the office, whose jurisdiction extends over several counties, does not have special statistics only for Freiburg, the number of unemployed persons in Bezirk Freiburg-City plus environs, which is regularly listed separately, amounted to 10,000 in July, which corresponds to 8.7 percent. And if one were to regard the city of Freiburg alone, the Labor Exchange is sure that this number would be somewhat higher--thus, unemployment in the city would be above the federal average.

University graduates contribute substantially to these "peak values." Whereas in the federal German average some 5 percent of the unemployed are college graduates, this group amounts to 10 and 20 percent in Freiburg, depending on whether it happens to be examination time. Since the trend is on the upswing, it follows that in Freiburg almost every fifth officially registered unemployed person has completed their studies.

According to the most recent and more precise data listings, Freiburg had almost 1,900 unemployed university graduates, including 700 teachers, 150 physicians and pharmacists, 200 social workers and teachers, 80 lawyers, 120 liberal arts graduates, 80 psychologists, 70 economists, 70 natural scientists. Uwe Wilsser is unable to offer a single position to the 700 who actually wanted to become schoolmasters. Even for the liberal arts graduates and psychologists things look like this: 0:120 and 0:80; social workers, 1:200; lawyers, 1:16; physicians and pharmacists, 1:80; natural scientists, 1:20; engineers, 1:3 at least.

Alternative Bars

One of those who, in view of this hopeless situation, has given up hope of ever becoming active in his profession is Holger Haack. The 33-year-old who studied German and social science and has just completed his teacher training cycle for teaching school at gymnasia says: "For me it is clear that I will never become a teacher." For 18 months the state paid him a stipend of 1,250 marks net. But that is finished now. Since Holger was never integrated in the social security system by making contributions, he receives not a penny from the Labor Exchange. The social welfare office as a source of support is also not viable since social assistance is only provided for those whose families are not in a position to jump in and the guidelines for the authorities are very strict. Yet, at age 33, for Holger to once more approach his parents for money is not an option.

Nevertheless, Holger Haack does have a regular source of income: He operates a theater bar in Freiburg with several others on a cooperative basis and receives about 600 marks a month from this enterprise. This sum, he figures, together with savings of 2,000 marks will last him for 6 months. From his student days Holger is accustomed to living modestly and nothing will change in this respect: "Old clothes, no new shoes—I do not have any high requirements." For the time being, he is assuming that something will turn up later. However, he feels that there is little choice than to go into "something which is independent" or to retrain. Yet he cannot afford such retraining because, according to the regulations currently governing such things, he could not qualify for any support from the employment office.

One who is still betting on perhaps being able to find a position in his profession is social worker Werner Kreib (not his real name). The 26-year-old passed his examination at the Evangelical Advanced School for Social Work and has been unemployed ever since. Actually, he wanted to do youth work. But in this area, in Freiburg and in view of two specialized advanced schools, there is no shortage of professional colleagues and things look particularly poorly. In the meantime, Werner has looked around throughout the entire southern portion of the state. "There are never fewer than 100 applicants for 1 position and one often encounters familiar faces during introductory interviews."

If the 26-year-old does not find anything by year's end, "I will probably have to emigrate," in other words go somewhere into the remainder of the FRG. But actually he would like to stay in Freiburg because of his contacts, because of his living environment "and, naturally, also because of the value of free

time." In the meantime, naturally, Werner Kreib would be content to get a "proper job" with a wage tax card and social insurance. He would immediately accept a job which perhaps paid 1,200 to 1,500 marks net. How about retraining? Yes, but the employment office does not have any tired money for such purposes. And an artisan apprenticeship in an enterprise would result in having to make do with 400 marks a month for 2 years and then the chance of possibly finding something as a social worker anyway would be much worse. How about becoming independent? Yes, but these are only vague thoughts--perhaps a secondhand shop.

The little money which is now available causes Werner Kreib actually the least worry. He lives in a residential community where he lived when he was a student. He receives nothing from the employment office and he, naturally, does not wish to become a burden to his parents anymore. Over a short period of time, the 26-year-old has held a whole series of jobs: He was a helper in a bicycle workshop, he worked as a temporary employee, he worked in a plastics factory, and once even in a youth center on a fee basis. He can earn something like 500 marks a month and once in awhile as much as 1,500 marks a month. In the meantime, Werner Kreib is once more a student, this time at the Albert Ludwigs University where he is studying Germanistics and romance languages because the admission criteria are not too strict. The reason: cheap health insurance and the ability to take meals in the student dining hall. Furthermore, student identification provides certain advantages in searching for jobs: Some employers value this status because it saves them social contributions.

The absolutely poor professional prospects for Holger Haack and Werner Kreib have their causes in the specific situation which exists in this university town. On the one hand, there is the great "offering" of academics. The university, the pedagogical advanced school, and the specialized advanced school have a total of 25,000 students among them (some 23,000 of them attend the university). This is around 15 percent of the population. After their examination most of them remain in the city until they have found a job. According to Uwe Wilsser, the majority of them do find a job after some time, but frequently not before a year is up and, for the most part, far removed from the valued Freiburg environment with its theater bars, the Black Forest ski area, the local wine, and the alternative cultural enterprise. But at first many of them hope to be able to take a foothold in the city.

In Werner Kreib's experience, it is no longer a rarity for a social worker to be unemployed for 2 or 3 years. Although many a college graduate will move back to the parental abode "in the village" because of a shortage of money, even the unemployed return to Freiburg again--for example, those who have spent their schoolteacher training period in a small town in the Black Forest and would now not like to go sour in the "wilderness" as unemployed people. And besides, one still has an easier time finding a job in Freiburg than in the flatland.

The large reservoir of graduates is faced by an extremely tight offering of job possibilities. Around 80,000 jobs exist in Freiburg, including two-thirds in the service industry and only a few in industry. Most of the jobs, around

10,000 (including the clinics), are provided by the university. Is it possible that Mayor Berthold Kiefer had this in mind when he lamented that one need not be surprised about the high unemployment when the university, the pedagogical advanced school, and the specialized school are the biggest producers of the unemployed?

The university, the schools, the government jobs, in other words all those locations which previously accommodated graduates are now, according to Uwe Wilsser, "more like overstaffed." The many small and medium-size enterprises are not structured to accommodate college graduates. In the small and middle-size towns in the state little is going on which is of interest to academics. No one can switch to nearby France. However, in Basel, with its chemical industry, one or another might be accommodated. The border country, which is otherwise much praised as an international turntable, is revealing itself to the labor market more nearly as a cul-de-sac.

Uwe Wilsser describes the efforts expended by the employment office to find jobs, at least in individual cases, for graduates as being "extraordinarily laborious." Enterprises and administrations are addressed by letter with the request to check to see if there isn't anything for teachers. One contemplates retraining yet, apart from the fact that actually the only prospects worth mentioning exist in the data processing field, such measures rapidly encounter financial barriers: The academic retrainees generally receive no financial support during this time. It is true that a number of these people have found jobs within the framework of state-sponsored employment measures. Yet these small straws in the wind are already embattled: Two-thirds of all the jobs in Freiburg which have resulted from work provision measures are held by graduates already, according to the employment office, and chief Hans Grewe says that this cannot go on since this circle of individuals only accounts for about 20 percent of the unemployed.

The hopelessness of finding a "normal" entry into professional life in the foreseeable future causes many of the victims to not even report to Eckersstrasse 1. After all, very few of them have any eligibility for assistance. Whether they are registered with the employment office or not, many are compelled to somehow muddle through. The manifold individual survival strategies have long since led to the creation of a "second labor market" on the local level and have resulted in a sort of "alternative social system." This also points the way to recognition that graduate unemployment in Freiburg is far greater than the statistics of the employment office would indicate: Concealed, hidden unemployment in the opinion of Willy Potthoff, a professor at the pedagogic advanced school, extends all the way to the poverty line since many must make do with less than 1,000 marks a month--a situation which is bitter for those who have children to care for.

One possibility for saving money in short supply and attaining a minimum of social protection is represented by the immatriculation bureau of the advanced school. For those who have never been hung up in the public social net and frequently must count every single mark, the cheap health insurance, the quality food at the student dining hall, and student discounts for theater tickets mean a lot. For some, the second round of studies might be the sole real

meaningful occupation--possibly a type of retraining. University spokesman Rudolf Dreier at least has no doubts that continuation of study represents "a waiting room for many during the time of unemployment." It is noteworthy that the number of beginning students at Freiburg is declining while the total number of students is increasing. And the student identification card often helps in looking for jobs because employers can save some social contributions if they employ students.

Jobs: There is the female chemist who, at 5 o'clock in the morning, is buttering open-faced sandwiches in the bakery; here is the social worker who is keeping her head above water by being a secretary; there is the lawyer who drives a truck for a shipper; here is the teacher who drives a cab. The job search in Freiburg is also connected with the economic situation in the community. Freiburg is an expensive city with peak prices with respect to rents. If, on the one hand, the unemployed academics suffer through these high prices, one has an easier time finding auxiliary activities in the city in comparison to other regions: Since a portion of the inhabitants command much purchasing power, jobs can be found in the service industry as waiters in restaurants or, primarily for women, as domestics or governesses.

Hidden unemployment also exists among those who are independently active or among entrepreneurs. For example, the lawyers: According to statistics provided by the local bar association, in 1984 more than 420 attorneys had settled in Freiburg--more than double the number 10 years ago. In the meantime, even villages in the surrounding countryside have "their own" attorney, something which was previously unthinkable.

Final Stop--Social Welfare Office

For Hans Klees, the manager of the bar association, it is clear that this form of "new independence" is nothing short of concealed unemployment in many cases. Nevertheless, some 30 percent of the attorneys registering with the bar association say that they are doing a turnover--not having a profit--of less than 35,000 marks per year. "Even though some professional beginners soon exceed this limit, it cannot be overlooked that many are earning very little," says Klees.

For many an academic the welfare office is no longer an unknown address. At this Freiburg facility some 50 victims have registered, according to Adolf Dettling who is responsible for social assistance. The number of those who are eligible for social assistance is small. The incomes of parents and, where available, of spouses are always included in the computations. Dettling says that primarily social science teachers and instructors visit the welfare office. And they are not even badly off since, for the most part, they need not live on the meager support payments (390 marks per month for a single person). According to Dettling's experience, these people can frequently be found regular jobs lasting several months--perhaps with the city administration or with social facilities such as the Caritas charity. In such cases, the welfare office pays a part of their wages; it pays around 1,800 marks gross and many are then continued in their employment by their employers for long durations.

Bioshops and Potteries

Many an academic in Freiburg is probably working at a job which normally a nonacademic unemployed person would have gotten and the fact must certainly be taken into account that it is precisely in taverns that students have always managed to earn money. In the meantime, a displacement competition has spread to the "established" working world, even though Uwe Wilsser considers this concept to be "somewhat exaggerated." Nevertheless, the "trend is in that direction," he observed. Thus, lawyers and social pedagogues occasionally become case workers, teachers land in the business world or in intraenterprise training--activities for which previously junior high school graduates or those having the school-leaving certificate would have sufficed.

As a result of graduate unemployment in Freiburg, the "alternative sector" has grown considerably. At the Sociological Institute of the university a study on the structure of these Freiburg enterprises is being conducted under the leadership of Peter Zoche; the study covers bioshops, taverns, cultural projects, bookstores, print shops, copying shops, repair facilities, potteries, or also such "classic professions" which are conducted in a self-administered form.

Although such small enterprises already arose in the early 1970's because some leftist students wanted to test democracy in enterprises or because hard-bitten natural food freaks wanted to sell muesli or whole wheat bread. But Zoche is not so sure that this sector would not have expanded to this extent had not many academics experienced career worries.

Nevertheless, the sociologists have identified almost 100 such enterprises in the city, mostly self-administered. These enterprises regularly employ around 1,000 people. Almost half of these people stated that they live completely off these earnings; the others said these earnings accounted for a good part of their income. Naturally, the wage level is not particularly high. The majority of those questioned said that they could hardly manage with just this income or, at best, that it was satisfactory; and this in a location where the standard of living of these people is generally very low.

Many professions, both practical ones and academic ones, can be encountered in the "alternative sector." However, according to findings of sociologists, the majority of those working in these enterprises can be considered academics. And the researchers found something else: They barely found any "dropouts," in other words victims of "broken careers," but, for the most part, people who had completed their qualifications, be it artisans, technicians, or academics.

Freiburg's long-time only noteworthy major self-help group in this area is the "Sole"--the "Solidarity Community of Teachers and Educators." This initiative was activated at the end of 1983 by several lecturers at the pedagogic advanced school because the unemployed pedagogues had no lobby and, according to Prof Willy Potthoff, because those who are financially well-off and frequently work as white-collar workers are obligated to maintain solidarity with those who have nothing.

For "Sole," which rents offices in the pedagogic advanced school at a low price and is already establishing branches at Karlsruhe and on the Bodensee, "solidarity" means that those who have full employment as schoolmasters make a contribution. Thus, Potthoff and his collaborators appeal to the teachers in the state service to decline to accept a portion of their allowances in order to open up more employment opportunities for their younger colleagues. The self-help organization is also asking teachers in the schools to give up spare-time activities. For example, the response in the Freiburg adult evening school, whose management increasingly took into account unemployed teachers when making teaching assignments, was very positive. A whole series of teachers have, in the meantime, also reduced the number of hours they teach.

The extent to which the appeal by "Sole" played a role here cannot be judged. But some of the teachers, as had been noted by "Sole" people during contacts with teacher unions and their members, were also somewhat reticent and, in fact, rejected such approaches. One "Sole" collaborator said she felt that many feared that the saved hours would not lead to new positions, but would simply result in having jobs struck from the table of organization. But Willy Potthoff assumes soberly that many of the "provided-for" teachers simply do not wish to forego a small portion of their not exactly meager income.

The principal task for "Sole," which has an annual budget of 1 million marks based on membership contributions, grants, or money provided by the employment office as a result of work creation measures, is, naturally, the "opening up" of activity fields for unemployed educators. Thus, in Freiburg and in the southern region of the state some 1,000 students enjoy the supplemental help organized by "Sole." The income of pedagogues in this area runs between 500 and 2,000 marks per month.

"Sole" holds free-time tape-recorded courses for students, as well as exercises pertaining to supplemental school graduation, provides contributions for a pair of positions in the Freiburg adult education system, managed to find temporary employment for several unemployed teachers in renovating and developing playgrounds. According to statistics provided by "Sole," this self-help was able to open up 38 "half-allowances" (with more than 15 hours a week) and 124 "smaller allowances." Potthoff states that this is not only a matter of money but represents efforts to counter resignation, apathy, and psychological crises with meaningful activity.

According to information provided by "Sole," the organization has around 1,000 members, most of whom are teachers or other academics in the state service. They pay at least 15 marks a month in dues. Potthoff believes that this is "a lot," but "still very little" in view of the large number of employed officials.

No Demonstrations

The "Sole" initiative does not consider itself to be a political organization and is felt to be more a "charity" organization. In this respect, "Sole" is absolutely typical for the city. There are meetings of unemployed teachers held in the Union for Education and Science; students repeatedly debate its

future problems in working groups; former student teachers want to establish an organization similar to "Sole"; unemployed social workers are working on "Sole" problems in a planning group supported by the employment office and are looking to make its labor market more transparent; Holger Haack reports on an initiative group within his teacher training group. Yet unemployment among graduates is not on the political agenda in Freiburg.

It is precisely in Freiburg that the political reticence of the afflicted academics strikes a strange note. In the city in which once many thousands demonstrated against the Wyhl Nuclear Power Plant and when houses were being occupied, in this city it has been 4 years since a small group of unemployed teachers protested against their lot in front of the employment office with banners. There is much that is puzzling regarding the motives for the political shyness of the unemployed academics. A female "Sole" collaborator feels that "it is something else, however, for you yourself to walk in the street."

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

EFFECTS OF SMALLER UNIVERSITY STUDENT POPULATION ANTICIPATED

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 5 Dec 85 p 25

[Article by Manfred Loewisch: "Half the Load"]

[Text] More and more secondary school graduates decide for on-the-job professional training rather than going to college. As a result, the vocational training system is confronted with steadily more applicants for trainee jobs and is barely able to cope. The trend does, however, give some breathing space to the colleges which are not quite so overflowing with students. Most of all, the numbers of graduates without job opportunities are not growing quite to the extent as feared even a few years ago.

Still, this development has another and less pleasing aspect for the colleges: A few years from now, the decline in the readiness to enter institutions of higher education will be joined by a sharp decline in secondary school graduates. In 1985, 1986 and 1987 we will still record about a million 20-21 year olds, but a drop to 750,000 will occur by 1992, to barely 600,000 by 1995. Nor are the figures much greater for the years following 2000. Demographic developments and the decline in college applicants will mean a decline of college entrants to two thirds at the beginning of the 1990's and to half in the middle of that decade.

Admittedly, the total student population will not fall by that much because-- due to the assembly band operations and "waiting room" function of the universities--the average of years spent at college is still rising slightly. Still, the fact remains that the colleges are confronting 20 years during which the student population is likely to be halved and certainly going to be radically reduced because the gap left by the falling birthrate cannot be plugged.

From the standpoint of the colleges, this development is actually to be welcomed rather than deplored. The present overcrowding and so-called excess load will yield to normal conditions, to the benefit of students and teachers. It will be possible to largely abolish the numerus clausus, basically an anomaly in the consciousness of the universities. The admission of foreign students need no longer be handled quite so restrictively. Continuing education, currently tending to be neglected at our colleges, may be expanded in response to rapidly changing professional needs. Above all, however, an

opportunity will arise to strengthen research (hampered at present by the very scale of operations) and, in particular, extending research to new fields currently uncultivated due to the lack of personnel and material resources.

Other adjustments will also be necessary: Student housing must be made available for other purposes and the size of cafeterias reduced. Administrative personnel, no longer needed in departments dealing with students, will have to be placed in other jobs. Adjustment problems will have a greater impact on municipalities. Even in a relatively large university city such as Freiburg, a 50 percent reduction in the student population represents an at least 5 percent decline in the total population. Such drops will affect housing markets, the retail and restaurant trade as well as the cultural and sports facilities used to a disproportional extent by students. None of these effects should be underestimated.

The largely beneficial effects of the anticipated decline in the student population will not simply fall into the laps of the colleges. The temptation to draw a lopsided parallel to the decline in the school pupil population is too great not to lead to energetic requests from finance ministers and deputies in the provincial assemblies for a corresponding cut in college teaching personnel. Pointing out the earlier excess load is unlikely to be enough to resist such requests; such indications may be helpful only where capacity was in fact exceeded.

Another argument has more chances of success: In the interest of the current generation of young scholars, hirings for professorial jobs not in fact available until the 1990's have been anticipated in accordance with the so-called Fiebiger plan. It would therefore be something of a contradiction to make cuts in the remaining vacancies expected at that time, because that would reduce to zero the opportunities for the young scholars then entering the market. However, this argument will prevail only if the colleges are able to demonstrate the tasks waiting to be tackled by the personnel set free as the result of the decline in the teaching load. This is a most urgent issue for the colleges in view of the long lead times needed for planning in the sphere of science. Unless conceptions for continuing scientific education at the colleges are developed now, they will be lacking in the 1990's. Unless new research facilities begin to be established now, they will not have advanced far enough by then to be fully operational.

The set of tools required to achieve the necessary reorganization of personnel and material resources at the universities needs time for assembly. Freiburg University, for example, spent almost a year in furious disputes before a procedure was found (admittedly it is now working well) to cope with the relatively modest need to rearrange about 2-3 percent of jobs between now and 1990. The opportunities now offering in the personnel sector should also be used to set the tracks for the future. Such opportunities are offered by the above mentioned Fiebiger plan, already adopted by Baden-Wuerttemberg, Bavaria and Berlin, and now to be implemented by other laender also. The new chairs to be established according to this plan need not be identical with those to be dropped in exchange in the 1990's. As a result, it will be possible even now to begin on new approaches in research and teaching without placing an additional load on the mass disciplines.

The task of adjusting to the change in the situation caused by the drop in the student population does not concern the colleges only. Business, government institutions and other facilities hiring new graduates must also consider the consequences. It is on the cards that, 10-15 years from now, there will not be enough graduates to meet the demand in some fields. It will therefore be necessary, in cooperation with the colleges, to offer continuing education courses to older graduates who were unable to find appropriate jobs in their fields, thereby enabling them to acquire the qualifications necessary for being hired at a later time. Quickie courses, customary in the teaching profession in the 1960's in particular, should not be needed again at the end of the 1990's and early in the 21st Century.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

CRISIS AT HAND IN ACADEMIC JOB MARKET

Hamburg DIE ZEIT in German 6 Dec 85 p 41

[Article by Dorothea Hilgenberg: "Jewels in the Street"]

[Text] Who says that we know nothing about the future? We know far more than we would like. Abundant columns of figures, data mountains and analyses afford us a clear view of the post-1900's area. We know that there will be 2 million fewer West Germans. We know that we have too many young people now and will have too few of them tomorrow. We've also been told ad nauseam that there will be almost 2 million more pensioners and 3 million less workers by 2000.

We knew early on that we would soon have thousands of new teachers, though we pretended not to be aware of the foreseeable job shortage. At the present time, reliable sources keep on telling us until we all know it: At the end of the millenium, more than 2 million college graduates will desperately seek work. Do something!

Also do something for the new generation of college teachers; they find themselves shut out from academic careers as never before--by other academics who were appointed in the 1970's, the boom years of the universities, and who will not collectively retire until the mid-1990's. The scholarly organizations are sounding the alarm.

A few years ago, as if it were imperative to inflate an acute emergency to a totally hopeless situation, finance ministers lost their heads in an attack of savings fury. They began by forcing to their knees their fellow ministers handling the education and science sectors: The universities' tables of organization were messed up, frozen, cut and rearranged so as to knock the breath out of college heads. These operations paralyzed the universities just at a time when they were besieged by applicants, thanks to the expansion of educational facilities and the effects of a high birthrate. More, college presidents had allowed themselves to be persuaded by their minister presidents to open their doors beyond any justifiable dimensions to young people already in difficulties on the overloaded apprentice market and to additionally admit 300,000 students.

The extra money ("overload money"), promised by the laender chiefs but subsequently granted to varying degrees only, as a rule enabled the college presidents only to close gaps in teaching personnel and materials. But even that little was already too much for the niggardly finance ministers. These thought that the universities should cope with the onslaught by "cost neutral" means. Increasingly the finance ministers usurped the jobs of the education and science ministers; the latter were reduced to agreeing and swallowing hard: To jobs and salaries for scientific staff to be cut, grants for doctoral aspirants temporarily abolished altogether, professorships taken away and shifted, clerical personnel reduced and library stocks diminished. Finance ministers have an overriding ambition to balance their books; they are not concerned with foresight in educational and research affairs.

The situation was turned upside down: The source providing for the next generation of scholars flowed more strongly than ever--80,000 college graduates, 13,000 doctoral candidates and 1,000 candidates for professorial appointments per annum. On the other hand, never have so few professorial vacancies been open: Only 280 of the 33,000 teaching jobs will be vacant next year. In some disciplines, nothing at all will move for years to come.

By the mid-1990's, this situation will change again, but by that time the best qualified people will be gone. A specter, this, which haunted a Bavarian college president. Prof Nikolaus Fiebiger, experimental physicist and president of Erlangen University, sought and found a trick to outwit the finance ministers and soften them up for at least a few years.

Staggered over 5 years (1985-1989), 1,000 more professorial jobs were to be made available; after 1995, when more vacancies would occur, academic manpower could be reduced again. The government would therefore provide additional jobs for only 10 years--those of the worst bottleneck--, while the universities would have permanent jobs for talented young scholars.

That was a simple calculation and immediately enthused the West German Conference of Rectors (WRK). In 1979 it adopted the Fiebiger plan as its cause--an emergency program to counter collective arteriosclerosis. However, nothing at all happened until last February, when the major organizations of scholars--ranging from the German Society for the Promotion of Research via the Max Planck Society to the Fraunhof Society--issued their memorandum ("On Safeguarding Efficiency and Encouraging the New Generation of Scientists").

After that at least something stirred: The minister presidents conceded that they were "worried" about the exclusion of an entire generation of scholars. They promised to help university research. But that was the end of it. Neither a reciprocal obligation was incurred, nor any liability entered into, which might be pursued in law.

Depending on taste, inclination, mood and money, each land may choose how to pump fresh blood into its universities. Union laender took the lead of the Fiebiger movement. Baden-Wuerttemberg, Bavaria, Berlin and (soon) Lower Saxony have come to realize that only those can win this game, who get into it fast. Galloping ahead of everybody else was the Baden-Wuerttemberg minister president who promise as many as 200 of the well paid C3 and C4 jobs.

Lothar Spaeth would not be Lothar Spaeth if he did not want to pick up for his model land the most precious of the jewels now lying in the street. Would there ever be a better time so effortlessly by one or the other promising talent to enrich research (and not only in engineering and natural sciences)?

In fact, Spaeth scored twice: In 1976, very early on, he had cut the tables of organization of his universities more rigidly than anybody else. Now he is getting a double strike: By the money from his technology promotion pot and the Fiebigler plan.

The Bavarians are involved by setting up a pool of 80 (usually C2 jobs), initially favoring natives; the Berliners offer 90 highly paid professorships. The Lower Saxons intend to follow suit with 100 jobs. The remainder are either secretive or have nothing tangible to offer as yet.

The situation is very bad indeed in the north. Having bled its university more than any other land, Hamburg rebuffed the tentative efforts of its science minister, not to mention Bremen and Schleswig-Holstein, although the buffeted north would sorely need the impetus provided by research.

Where are the minister presidents or mayors willing to sell their finance ministers the uphill business of research, to tell them that the soil needs to be cultivated for many years to achieve the Klitzing effects, and that quick yields must not be expected? When will they show their teeth to the finance ministers, so that the ministers of science shall not become total nonentities?

They had best do so now when, if the rumors are correct, the finance chiefs are already rubbing their hands and openly look with enjoyment at the falling curve of college entrants: If there are less students, maybe some jobs might be...?

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

COOPERATION AMONG EC UNIVERSITIES STUDIED

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 7 Dec 85 p 12

[Article by Brigitte Mohr, datelined Brussels, early December: "Forward--Back to the Middle Ages"]

[Text] In Brussels for the past 3 days, almost 400 professors, university chancellors, students and educational officials discussed common study programs for the European Community. Nicole Pery, the elegant French vice-president of the European Parliament, opened the conference with rousing and daring-optimistic words on European cooperation in university affairs. She recommended the revival of the medieval tradition, according to which professors and students at French or German universities were able to freely transfer to Italy or Spain. Nowadays they are often hampered not only by the lack of knowledge of other languages but also by inadequate information about the educational system in neighboring countries--a dismaying statement in the age of allegedly total communications. Member countries are frequently better informed about school and college affairs in America or their former colonies than about those of the immediate neighbor, said director Jones, head of the main department for education, training and youth at the EC Commission. However, we are beginning to see some changes. Though the ultimate objective of the Commission, a "Common Market" in the university system, is still discernible only in weak outlines, the introduction of new equipment at schools and colleges as well as the need for close cooperation in science and economics may well turn out to be the propelling force for this process.

Pioneering Experiences

First of all, though, the pioneers exchanged experiences. The EC promotional program for cooperation among the universities of the member countries was established almost 10 years ago, but only now is it beginning to grow up and still tends to be ignored. It began in 1976 with 32 cooperation projects and, according to the latest status, now involves 493 projects. The member countries' involvement varies greatly. The smaller countries were very hesitant at the beginning, not least due to linguistic difficulties. The British, on the other hand, participated in two thirds of the programs, the Germans and the French in about one of two. In the early stages, cooperation consisted entirely in the exchange of professors, the common development of teaching materials and the organization of conferences or seminars. Lately,

student grants have been added. However, these can be applied for only by the university within the framework of a cooperation project. The students affected have not so far received much money; awards have been more in the nature of encouraging samples: 4,000 Ecu [European currency unit] (roughly DM9,000) represent the average allowance for a new program, 10,000 Ecu the maximum for a major program involving the exchange of students and instructors. Many program directors complain that these allowances are too small and too short-term. Others admit just as frankly that they obtained national funds for their exchange project only at the time they were able to announce an award by the EC.

The involvement of the various disciplines differs just as much as that of the earlier commitment of the member countries. Engineers and economists show the greatest interest. So far, management science has been most enterprising in terms of European integration: Successful joint study programs have been established between the colleges for economics in Muenster, Osnabrueck, Paderborn and Reutlingen on the one hand and French and English partner colleges on the other. Students spend 1 year (and even 2 years in the case of Reutlingen and Muenster) of their 4-years courses in the neighboring country--usually at universities but sometimes in businesses also. Graduates obtain not only the German business diploma, they are also awarded a recognized English and French degree. Anyone familiar with these smart and linguistically proficient young people--some of whom described their experiences in a print, film and photographic exhibit--is unlikely to doubt that they will be the leaders of tomorrow. Unfortunately, and much to the chagrin of the organizers at the EC Commission, such joint programs are few and far between. The EC organizers would have liked all conferees to promise to soon interlink and reciprocally recognize their courses or at least some segments. It seems, though, that it will take a long time before the European diploma as suggested by the EC or at least a credit transfer system on the American model will be accepted. This is a matter touching on the autonomy of the universities, and that is sacrosanct not only to German professors. More promising appears the acceptance of freedom of movement with regard to academics exercising their professions. The EC Commission has suggested this in the draft of a new directive.

Three issues were conspicuous at the conference: The reciprocal recognition of the length of studies and diplomas between the EC member countries will probably involve many more problems, though--on the urging of the Commission--a network of equivalency centers has been set up, one in each country, to be in charge of information, advice and the evaluation of foreign certificates and diplomas.

The Role of Technical Colleges

Usually information is all that is exchanged. The ministries or (and actually in most cases) universities of the respective countries have the last word. Secondly: Delegates from technical schools ruled the roost among the German conferees. In general, it seems that technical colleges are more interested in this program than the universities, possibly because the latter have been associated with colleges all over the world by partnership relations which sometimes date back several decades. Thirdly: Linguistic barriers remain.

German professors reported that they had little trouble in sending students with good knowledge of foreign languages to France, Belgium and England but that it was well-nigh impossible to obtain the same numbers of students from the partner country. In England, for example, those who study natural sciences or engineering do not as a rule learn any foreign language at school. However, British conferees asserted that the situation had lately begun to change. The very existence of such exchange programs motivates secondary school and college students to learn languages. Unfortunately far too few are aware of these programs. Much more needs to be done to encourage students to choose a "European" study course. Technical languages are a special problem. Many colleges play around with them on their own, for the benefit of their indigenous and foreign students. Finally there is the issue of language hierarchy: There was palpable displeasure when someone said quite naively that English was, after all, Europe's lingua franca. The French were not the only ones to take umbrage. Very soon, four member countries with Latin languages--France, Italy, Spain and Portugal--will confront the British and Irish. Will that mean a shift?

The word "ambition," whether pronounced in English or French, was often heard. In these languages it sounds rather less aggressive than the German term "Ehrgeiz." The Commission's plans are aggressively ambitious in the meaning of the vision of a European higher education scene without frontiers. The Irishman Sutherland, the Commission member responsible for education and training, reported about these plans on the last day of the session. At present only 1 percent of the 6 million students in the EC member countries spends one or more semester in other EC countries; it is hoped to raise this proportion to at least 10 percent in the period 1987-1992. The program will be named "Erasmus." The Commission, the Council of Ministers and the European Parliament were unanimous that university education would be the key to the Europe of tomorrow, Sutherland said.

Just about now, the Council of Ministers will come to a decision about another program, "Comett," which aims at cooperation between universities and business in the EC. The Commission intends to invest 80 million Ecu in this program in the period 1986-1989. Students and lecturers are to be enabled to spend 6-12 months in businesses in another EC country, improve their knowledge of the economy, language and mentality of the host country. At the same time employees of businesses, labor unions, representatives of chambers and business associations are to be provided with an opportunity at the universities of other EC countries to study topics relevant to them. Leftists in the Federal Republic tend to fear contacts between universities and business. Such fears are unknown among EC officials and also in socialist ruled France. Comett, Sutherland says, is not meant to supplement European cooperation but to actually provide the proper conditions for it. Such cooperation cannot work without people with expertise and the appropriate linguistic knowledge. At the conclusion of the conference, he quoted the words of Jean Monnet: "If I had to do it all over again, I would start with education."

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PAPERS VIEW KOIVISTO'S SUPPORT FOR MINISTER LAINE

President Makes Rare Intervention

Helsinki HELSINGIN SANOMAT in Finnish 9 Jan 86 p 9

[Unattributed commentary]

[Text] In an open letter President Mauno Koivisto also remembered, in addition to those who would topple Minister Laine, the newspaper SUOMENMAA, which published its own letter on Wednesday at the urging of the president. In his letter Koivisto intervened in the debate over the way elections are held.

Up to now, Koivisto has sparingly observed his predecessor's custom of sending out riot act letters.

In the 4 years his presidential term has lasted Koivisto has only a few times resorted to an open letter or a written statement expressing his opinion on matters and individuals.

Tuesday the president was busy; two letters were sent from the residence. In one of them the president took a stand in support of Foreign Trade Minister Jermu Laine. The other was addressed to the chief organ of the Center Party, SUOMENMAA. In that letter the president complained that peculiar aspirations have been ascribed to him in the debate over the way elections are held.

According to the SUOMENMAA interpretation, the president was irritated by an article under the pen name of "Outsider" published in that paper, one in which it was claimed that the president had gotten into a confrontation with Parliament. "Outsider" thought that parliamentary representatives had not understood the president's line of thought in connection with reform of the way elections are held.

Koivisto Promised to Learn from Them

Having given them a glimpse of the combining of long tickets and the present way [of holding elections], Koivisto publicly wrote SUOMENMAA the following:

"You have given me friendly guidance with regard to my peace of mind and what sort of opinions I have reason to voice on controversial matters. I fully respect the views you have presented.

"According to what you assert, my view of some possible weaknesses in the present election system may have gotten me into a confrontation with Parliament, which with lightning speed discussed my reflections and rejected them.

"You correctly understood my reaction to the public debate that was engaged. It did not to any extent shed much light on the matter and all sorts of personal aspirations were ascribed to me. My opportunities for entering into the discussion of sensitive national issues are quite limited.

"You are right; I have learned a lesson from what has happened."

Riot Act Letters Still Rare

The President's Office reported that "riot act letters" have indeed been written by Koivisto for years, but they have been kept out of the press at the request of the sender or the recipient.

Letters of public censure have so far been very rare.

The first time he used a letter of censure to express himself was when Koivisto in November 1983 sent 30 chief editors a letter expressing his hope that foreign policy would be handled in a responsible manner in the news media. A foreign policy debate that had continued throughout the fall had preceded the letter, a debate in which the president felt that he had been misunderstood several times and, as a result of which, he announced that he no longer intended to explain anything. In Finland's recent political history that phase is referred to as the so-called great explanation crisis.

The letter sent to the chief editors was meant to be confidential, but it was leaked to the press through the Swedish news agency.

From Diana to a Retired Colonel

In the fall of 1984 the Koivistos participated in the christening in Southampton, England, of a Finnish-built cruiser along with Princess Diana. The christening did not go quite as it should have and Koivisto afterwards resorted to a written statement which he issued to the now-defunct newspaper, *Jaana*. In describing the christening, the afternoon paper claimed that Mrs Tellervo Koivisto had forgotten to curtsy to Diana and the president had his hands in his pockets.

In his "riot act letter" Koivisto denied that he had his hands in his pockets. In Koivisto's opinion, curtseying to Diana would have been virtual treason.

Instead of a letter, at least a couple of times Koivisto has resorted to a handy request for an interview in order to get his opinion and agitation published verbatim.

During the Diana fall, without mentioning him by name, he censured Governor Paavo Aitio, who had publicly presented his opinion on changes in the grounds for appointing governors. The *ETELA-SUOMEN SANOMAT* was chosen as the medium for the reprimand.

Last summer Koivisto made use of interviews by the TURUN SANOMAT and SAVON SANOMAT to say what he thought about retired Col Tauno Kuosa, who had criticized the course of action adopted with regard to the Finnish UN troops taken hostage in Lebanon. Koivisto publicly categorized Kuosa as being a virtual traitor and gave him to understand that it would be best to keep his mouth shut when he does not know what has really happened.

Paper Approves 'Necessary Reaction'

Helsinki HELSINGIN SANOMAT in Finnish 9 Jan 86 P 2

[Editorial: "Needed Reaction"]

[Text] The president of the republic has intervened in an unusually forceful way "in the matter of the rumors that have appeared in the press and been spread abroad" about Foreign Trade Minister Jermu Laine's falling into disfavor with the president and having to resign from the government, among other things. In a communique transmitted to the news media, the president hoped that Laine would continue "with his meritorious work in the government in the knowledge that he has been and is my mainstay."

A direct reaction by the chief of state to articles written in the press is generally unwise and risky, a fact which President Koivisto too has had occasion to note. Nevertheless, the president's swift reaction, which was as clearly worded as possible, was in this case understandable and appropriate. It was probably the only way to put a stop to the rumor mill and crush the spirit of the political witch hunt against Laine touched off primarily by the Stalinist Communists, one in which they were trying to ride along with the president himself and even with the Soviet Union.

The Stalinist Communists have been finding fault with Laine since last summer. He has been accused of being overly busy in connection with membership in EFTA. Accordingly, they have tried to prove that he has been passive in promoting the East Bloc trade. In this spirit they have tried to read the minister's statements like the devil would read the Bible and to interpret them in a malicious way.

As a long-term and industrious minister, Laine has for a long time aroused conflicting feelings in many quarters, right down to his own party. His possible change of posts was spoken of at least when a line was formed to wait for the Social Democrats' ministerial elevator. Laine has not, however, pursued a line of his own in foreign trade policy which he might be asked to account for.

Membership in EFTA, the Eureka project and the basic problems of our trade with the East are part of the foreign policy leadership of our country's direct observation and surveillance. This is a well-known fact. That is why we may ask whether the Stalinist Communists' criticism is directed toward someone other than Minister Laine as well. In connection with this too, in his statement the president pulled the rug out from under those barking up the wrong tree.

Other Newspapers Back President

Helsinki HELSINGIN SANOMAT in Finnish 10 Jan 86 p 9

[Editorial roundup]

[Text] The newspapers are continuing their discussion of Foreign Trade Minister Jermu Laine. Jan-Magnus Jansson, the chief editor of the Swedish-language HUFVUDSTADSBLADET, which published the news of Laine's resignation, has explained the paper's sources. The other papers are trying to explain Jansson's behavior: why he allowed the news item to go to press.

"Sources Are Reliable"

Chief editor of HUFVUDSTADSBLADET Jansson reported how the news item came into being.

He said that editor Larserik Haggman, who wrote the story, and he himself discussed the sources of and background material for the news item before publishing the story.

The sources used by the editor were reliable and they did not represent the Stalinist Communists, Jansson assured us.

"In accordance with the ethics of the liberal press, we must observe only the criterion of truth and not take any note of the imposition of political objectives," HUFVUDSTADSBLADET asserted.

According to the paper, an exception to this rule can only be made in a crisis situation or when key national interests are threatened.

"This time there is scarcely any question of such a situation," Jansson felt.

Loser's Sideswipe?

In the other papers they are pondering the reasons for Jansson's behavior, among other things.

"Since, according to newspaper reports, HUFVUDSTADSBLADET chief editor Jan-Magnus Jansson directed publication of the item, there is reason to ask whether it was an actual error or a sore loser's sideswipe," SUOMEN SOSIALIDEMOKRAATTI asked in its editorial.

In the Social Democratic TURUN PAIVALEHTI chief editor Aimo Massinen felt that the flare-up that had been generated was excessive.

"The newspaper (HUFVUDSTADSBLADET) added fuel to the fire with its unfounded news report. Since what is at issue is a sensitive area of foreign policy, the case is not at all an insignificant story. HUFVUDSTADSBLADET is closely observed, especially in Sweden, as we have just seen."

Does Laine Want a Pension Post?

The independent ETELA-SUOMEN SANOMAT reviewed the stormiest phases of Laine's career.

"In his time President Kekkonen wanted Jermu Laine out of the capital since he felt that Laine had leaked information to the East. Later Kalevi Sorsa brought the man back and now he is accused of overly favoring the West. Thinking in purely human terms, we might suppose that Laine is fed up with stormy posts and really wants a pension post."

The Center Party's ILKKA sees the politics of the game behind this series of events.

"Since not even those who make a living following politics are always capable of distinguishing facts and distortions from one another, it is indispensable that correct information be provided as quickly as possible and as authoritatively as possible. Unfortunately, not all targets of mud-slinging have enough authority available to them for the traces of the lie to be short-lived."

The Finnish Rural Party's SUOMEN UUTISET wishes President Mauno Koivisto had more supporters.

"Citizens would also hope for similar support for Minister Urho Leppanen, from under whose efforts to create employment the rug is being pulled out by several different factions."

President Can Rely on Center Party

In the Center Party's SUOMENMAA new chief editor Seppo Niemela considered the letters written by the president.

He stated that Koivisto can rely on the support of both the Center Party and its chief organ in his key official actions.

The paper hopes that the next presidential elections will be conducted in a normal and gentlemanly fashion.

"Under no circumstances will this paper launch a nasty, caustic campaign.

"One may ask whether this attitude I have described here is not somehow unnatural for a newspaper. Doesn't a genuine journalistic attitude critically examine power and its users? Shouldn't it by looking for them seek out potential problems, discuss them and warn against them? .

"What is at issue is its legitimacy. We must accept the fact that there are newspapers in this country that conform to various kinds of editorial policy. What suits us is not necessarily good for others. But this suits us," Niemela writes.

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POLITICAL

FRANCE

FLNKS INDEPENDENCE STRATEGY, POST-ELECTION PLANS

HK230826 Auckland THE NEW ZEALAND HERALD in English 14 Jan 86 p 12

[Interview with Jean-Jaques Bourdinat, member of the executive commission of the Union Calédonienne, "dominant" party in the Kanak Socialist National Liberation Front [FLNKS] and personal assistant to Leopold Djoredie, president of the central region, on FLNKS strategy for independence by Adrian Blackburn -- place and date not given]

[Text] "When the French Government sent Edgard Pisani here in December 1984, after we boycotted the November election, all roads were blocked. There was no more economic activity...

"He proposed a temporary plan to work until the end of 1987, dividing New Caledonia into four regions to be run by regional councils.

"The FLNKS set up a congress in May 1985 to decide between two strategies, the smooth, in which we take the Pisani plan, or tough, which is to stop all economic activity, even to explode the nickel mining installations.

"The advantage of the tough strategy may be not to delay the date of independence too much. The disadvantage is that it breaks the economic tools.

"We decided to choose the soft strategy. That is why the atmosphere is calm, no more roads are blocked.

"At the election on 29 September we got control of the three regions (outside Noumea). We have started to work to do economic development, so we will be stronger and stronger and the Kanaks more and more responsible for economic development.

"The problem is what will happen in March if the right wing comes back to power in France. The answer is very clear: There will be no going back.

"If they want to change things we will have a new 19 November (a day of violent protest when elections were boycotted) but it will be worse.

"That means again the roads will be blocked...we will cut the territory into two parts and maybe all those like me who support the FLNKS will have to leave Noumea.

"There will be no more nickel ore for the factory in Noumea as we will control the mines and that will mean a big fight. But we are already prepared psychologically.

"The last time a New Zealand journalist asked if we would need arms, Djoredie (Leopold Djoredie, president of the central region) said, 'no'.

"He said if the French decide to send the Army we will fight. We have the moral strength on the ground. But what can they do? Do you think they will be able to put a guard on every farmer's fence?

Maybe if a French rightwing government decided to make a colonial war, even kill hundreds of Kanaks, maybe they could change the situation.

"But do you think the French Government can declare a colonial war today like they did in Algeria? I don't think they can...

"I've said before that the non-Kanaks in New Caledonia have three choices. The best is to go with the Kanaks for independence.

"The Kanaks are holding their hands out to the Europeans. Unfortunately the Europeans don't want to take the hands of the Kanaks.

"The second is to prepare their suitcase and leave. Three, if they want to save the country and have no problems, kill all the Kanaks...

"I wish to be clear. If a right-wing government wants to change something there will be problems, a political cyclone.

But even if we don't get problems in '86 there will be problems in '87 with the independence referendum. Our position now is for only Kanaks to vote but it is proposed that all those here for more than 3 years can vote.

We would boycott it, of course. The Kanaks became a minority in their own country after 1969 through immigration as the right wing worked to sink the Kanaks...

"I'm very pessimistic. The only chance for everybody is to keep a socialist government in France. If the right wing gets in they will lose New Caledonia.

"With a socialist government there is still a chance for a good relationship. France has no nickel, chrome or manganese and New Caledonia is very rich in minerals. It's military strategic...

"It would be in the interests of France to be involved in the new state, which we will call Kanaky. But if France will not play its role it will be replaced in Kanaky by Australia or New Zealand.

"What about help from Libya or Russia? The FLNKS is a movement of liberation and our policy is very clear: If any country wants to help us with money we accept, but without any conditions...

"If the right wing doesn't change things, if the FLNKS works well and has more time, I think the caldoches (settlers) will drop their leaders, the extreme right wing.

"That might be a chance for this country. Now some caldoches say they want to stay, not be like the Black Feet in Algeria. More and more are conscious of the dangers of the extreme right.

I have been in this office just one month but I have been able to notice more and more caldoches who voted for the Right coming in here.

"The danger is that at present we have Kanak leaders like M (Jean-Marie) Tjibaou, who is a very moderate man who during our congress in May had to put all his weight in the balance to take the soft strategy.

"But if this strategy doesn't work we may have some extreme Kanak leaders pushing and taking his place. Nationalism among the young Kanaks is growing every day and the support for independence is becoming stronger.

"There is very little FLNKS support from Europeans and non-Kanaks now, perhaps 1 percent. But I notice that the way of thinking of the caldoches is changing.

"The feeling now is that they can't kill all the Kanaks. A feeling of rapprochement? Yes...but the FLNKS needs time."

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POLITICAL

GREECE

GOVERNMENT SEEN SEARCHING FOR SOLUTION TO U.S. BASE RIGHTS

Athens I KATHIMERINI in Greek 15-16 Dec 85 pp 1, 5

[Article by Nikos Simos]

[Text] The search for a "formula" which will finalize the prolongation of the American bases in becoming an immediate political goal of the government which is under pressure from five factors: First, from Washington's urgency to be informed of the irrevocable decisions of the government regarding the future of their military facilities in Greece as soon as possible. Second, from the clear hint by U.S. Secretary of State Shultz that the elimination of the bases will push Washington towards other arrangements which no doubt are connected with the serious examination by the American side of the Turkish proposal to transfer the bases there. Third, from the particular sensitivity that our country and its government would naturally have against any development that will add to the strengthening of Turkey. In this light, it is noted that the Greek urgency for the final settlement of the situation should be analogous to the American one. This is so because, first of all, the result of American-Turkish negotiations which are now in program will surely be affected by vagueness of Greek intentions. And secondly because based on what the Turks want to achieve through their new defense agreements, the focal point of Greek-American relations, as presented by the government, should not be whether or not the bases will stay, but instead should be the preservation of the power balance that exists between Greece and Turkey. Fourth, from our country's need to overcome its current financial bind, something that the government has finally realized can only be achieved through assistance from the West. Fifth, from the finalization of this assistance through active contribution by the American side, which will achieve the required proportions to overcome the Greek crisis only after a formal invitation to Mr Papandreou by the American leadership. A further examination of the individual factors pressing the government reveals the following facts:

Washington's current urgency regarding the bases' future, as manifested the day before yesterday by Shultz statement in Brussels (We want to know as soon as possible if the Greek Government's intention is to expel them or not") is far from being construed as a raw American threat. One could just as easily understand Washington's haste to know what exactly the Greek Government is thinking 3 years before the Greek-American agreement expires.

The reality of the situation is actually forcing Washington to want a settlement on this matter now since: (a) the American-Turkish agreement on defense cooperation, which is currently under way, would definitely be shaped differently in case the United States were to consider and implement the Turkish offer to transfer the bases to their soil after their expulsion from Greece; (b) the demand for a Greek reply is naturally related to statements issued from time to time by Greek Government regarding the final removal of the bases in 1988 and the terminating date on the signed agreement and is especially understandable following the confusion that has been created by other, equally official statements, which allow for some degree of its alteration (by a law that would be voted in the Chamber of Deputies by whichever government is in power in 1988, as Mr Papandreou said there last week); and (c) the bases that are currently on Greek territory need upgrading and the "investor" will want to know in advance if he should rely on a long term "investment."

The Turkish Threat.

American demands for a clear and definite reply by the Greek Government would have been a lesser importance to our country if the substitute in the Greek-American defense cooperation would not have been Turkey. Even more so, since the unshakeable Greek position regarding the balance in the Aegean through the 7 to 10 ratio of assistance to Greece and Turkey would have been self-neutralized because of the logical suspension of military and economic assistance to Greece, due to the lack of any defense cooperation between the two countries .

The Papandreou Invitation.

The evident shift of Papandreou towards the West, and especially towards the United States (editor's note: G. Shultz' disclosure that the improvement of the two countries' relations is due to the Greek initiative is characteristic of this) was undoubtably dictated by the country's current financial bind. Thus, it expresses the imposed adjustment to the country's current needs more than a deeper ideological shift in foreign relation matters.

However, the effectiveness and the "cashing in" of the shift of the government and Mr Papandreou himself, through immediate support by the West, is indisputably associated with its persuasiveness. Diplomatic observers point out that, in this light, only a formal invitation by President Reagan to Mr A. Papandreou for a meeting in Washington could be interpreted as an official ratification of a new period of closer Greek-American relations. This is something that Mr Papandreou, in any case, continues to strive for, not only because it will mean the American acceptance of the sincerity of the Greek shift in foreign relations matters, but also because it would possibly give the "green light" to foreign investment capital to Greece, therefore helping overcome the current investment slump.

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POLITICAL

GREECE

PAPANDREOU'S REPORTED PRESIDENTIAL AMBITIONS ATTACKED

Athens I KATHIMERINI in Greek 15-16 Dec 85 p 11

[Editorial: "Institutions and PASOK"]

[Excerpts] The validity of the institution of the presidential republic is not being challenged by critical comments of public opinion which bring up from time to time "incidents" regarding the daily life of the current presidential couple.

The validity of the institution is presently being seriously undermined by the PASOK government and even by its leader, Mr Papandreou. Instead, while the president of the Republic is exercising his duties, the government should have shown extreme care in protecting him, the very person that it nominated and elevated to the position.

However, instead of the government following tactics that would have led to "forgetting" all that accompanied the election of Mr Sartzetakis, which did not in any way reinforce the required respect which should be shown toward the institution, it circulated, through its friendly press, the intentions of Mr Papandreou to jump into the presidency of the republic when he felt it was the "proper moment!" This rumor, which has never been denied by Mr Papandreou himself, does much more harm to the institution than even the worst intentioned attack on Mr and Mrs Sartzetakis.

The attempts to "acquaint" public opinion to the idea that Mr A. Papandreou can abandon the premiership to "move" to the presidency of the republic whenever he chooses, in reality means to "acquaint" public opinion with the following: First, contempt of Parliament, whose members, even when they belong to other parties, are presented as not having much difficulty in being "swayed" by Mr Papandreou to legalize his personal ambitions. Second, the impression that the current president of the republic is a "caretaker". That is, he had not actually been elected to serve the time provided for by the Constitution but to serve a period as long as Mr Papandreou needs in order for him to take care of matters necessary for this transition to the presidency.

Apart, though, from these most serious responsibilities of the government concerning the undermining of the institution and by extension of our presidential republic Mr Papandreou's intentions to move to the presidency, "whenever he sees fit", encompass such arbitrariness and metaphysical

evaluations which are greater than can be counterbalanced by any mechanism which could be set in motion to realize the prime minister's ambitions.

Mr Papandreou does not have any of the required qualifications to be "President of all the Greeks." Not only has he tried to topple the establishment, for those promotion the current Constitution has been "built," but he has on the other hand cultivate a partisan and "ideological, class oriented" division of the population, encouraged the creation of a party-state, and damaged the constitutional and democratic legality in order to achieve his partisan and personal goals. In other words, he has encumbered himself with political conduct diametrically opposed to that which can be presented to the people's conscience as worthy of the person indicated to be its highest and incorruptible ruler.

But even if this point of argument against Mr Papandreou's becoming president were set aside, his intentions would be blocked by opposition within his own party. The apothegm of the "true" majority of PASOK, that "Pasok equals Papandreou", warns that this true majority will oppose its leader becoming president so that the party will not be dissolved! When, indeed, the need to escape the consequences of his heretofore policies will force Mr Papandreou to "move" from the premiership to the presidency, the fear of the party's being pulverized is clearly evident if it were to remain without Papandreou!

Therefore, talk about the current prime minister becoming president should be abandoned since it has been clearly shown that it is not about to be continued in deed. The only thing it accomplishes is to damage the institution, damage which began on 9 March!

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POLITICAL

GREECE

ND'S NEW ORGANIZATIONAL, OPERATIONAL STRUCTURES NOTED

Athens I KATHIMERINI in Greek 5 Feb 86 pp 1, 3

/Text/ Yesterday, ND made public its new charter that includes major changes with regard to the election of the president by a special body and with regard to procedures for selecting candidates for deputy. The charter will be put up for discussion and approval at the second party congress scheduled to convene in Salonica on 14-16 February. Also made public at the same time was the proposal for the ND "Political Program Context" the focal point of which is the political and economic problem as a problem of the present government's credibility and its downgrading of institutions. Its primary goal is the party's regaining its own credibility in political authority, in energizing productive forces and in restoring the democratic functioning of institutions.

With regard to the charter plan, the major changes are as follows:

1. Election of president. It is accomplished by a special body made up of members of the parliamentary group (as well as the party's Eurodeputies) and one elected representative from each of the 56 electoral districts. With the present makeup of the parliamentary group (110 deputies and eight Eurodeputies) the ratio of deputies and non-deputies is two to one. The non-deputy members of the body are elected by a nome assembly that is formed specifically for this purpose by members of the Nome Administrative Committee (NODE) and the boards (president, vice president and secretary general) of the nome local committees (who are not NODE members).

The election of the party president takes place by secret ballot. Chosen president is the candidate who gets an absolute majority of the overall number of members of the body. If no one gets an absolute majority, balloting takes place again during the same meeting between the two leading candidates.

Conversely, any dispute over the election of the ND president is handled by the parliamentary group (deputies and Eurodeputies). Procedures are put into motion by one-third of its members, in accordance with the existing system. In other words, these procedures remain the same.

Selection of Candidates for Deputy

2. The selection of candidates for deputy proceeds as follows:

The president of the party selects the party candidates for deputies at large and Eurodeputies (making up the lists of 12 and 24 candidates respectively).

The deputies of the various electoral districts of the country are selected in accordance with the following procedures (for each electoral district):

- The nome assembly (by members of the NODE and local committee boards) decides (by vote) on the candidates and draws up a list of candidates double the number of deputy seats of the district. The list is drawn up on the basis of the candidates' order of victory in the aforesaid balloting. (The number of votes of each candidate is recorded).

The list is submitted to the executive committee as a proposal by the nome assembly. Besides the names of the aforesaid candidates, the names of deputies of the previous parliamentary period are obligatorily placed on the list.

The executive committee, "once it has drawn together and examined closely the proposals of the nome assembly of each nome, draws up a list of candidates on the basis of the proposals and recommends it to the party president.

"The president finally selects the candidates and draws up the party slates on the basis of the overall number proposed by the nome assemblies."

The designation of double the number of candidates, non-binding nevertheless, also prevails in the existing charter. The basic difference is that the present charter was drawn up when the preference checkmark was in force and the deputies were elected, from among those selected by the party president, directly by the people. The proposed new procedure provides for intra-party balloting for candidates on the nome level but non-binding either for the executive committee or the president who in the long run draws up the lists. Also abandoned is the procedure followed in the June 1985 elections, namely the principle of maintaining, in principle, the order of success during the previous elections.

The Congress

The party congress is the supreme and sovereign body that convenes every 3 years or in special session. The institution of the national conference that is convened every year by the party president is established. The central committee that is elected by the congress is the highest body in the interval between the two congresses. Besides the 75 members elected by the congress, it is also made up of the party president, the parliamentary spokesman, the secretary of the parliamentary group, the party's director general and the chairman of the ONNED /New Democracy Youth Organization/ executive committee.

The aforesaid members also participate on the executive committee that is supplemented by five parliamentary and five non-parliamentary members who are elected by the central committee for a term of 18 months. The central committee convenes every 2 months but in special session in emergency situations on decision by the president or the executive committee or after a written proposal by one-third of its members (the central committee).

The executive committee is convened regularly every week by the president but also in special session if so deemed by the president. Also, the party president may convene the executive committee in expanded form, with the participation of deputies and former presidents.

This regulation adopts proposals formulated in pre-congress meetings for the abolition of the political council.

The new charter, in contrast to the previous one, does not provide for an alternate president. It is to be noted that the position of alternate president was provided for in the charter under review for those times when the president exercised a government function, at which time he could transfer party responsibilities to the alternate president.

Ideological Sector

In yesterday's ND announcement, the following is said about the ideological sector:

"On the advice of the ideological committee, the validity of ND's ideological principles are reconfirmed, principles that were definitively formulated by its founder and that were embraced by the first party congress.

"During the second party congress, a proclamation will be proposed for strategic national development, with a republic based on the Khalkis principles. Through this proclamation a description of present-day Greek reality will be undertaken. In it also the need is stressed that the party's functioning and activity be adapted to the conditions that are being shaped in this contemporary post-industrial revolution.

"Priority is given to the value of the human personality and freedom in a pluralistic open society.

"Special mention is made of the celebrated matter of freedom of opinion and the press that is tied to the party's promise to tell the whole truth to the people.

"It considers that the critical choice in our time is not between two extreme tendencies, namely the increasing gigantism of the state and the intemperate egoism of the individual, but in a creative synthesis, balance and harmony that leads to the need for a better state.

"It also gives special priority to the social character and social content of the free economy system, but also holds out the possibility for a continuously expanding social democracy through the reorganization, modernization and development of the economy.

"It expresses the need for the reestablishment of a free economy to its sovereign role in production that it considers as the only system through which social justice, with development and freedom and progress for all is ensured and not equalization downward.

"It does not follow the extreme position of rejecting the public economy sector but wants it modernized so as to function with the rules of the market and with capable state staffing.

"Special stress is put on the need to oppose monopolies in the market and to encourage honest competition and to do away with privileges.

"Finally, the proclamation will describe the nature of the party as democratic and modern, popular and social, radical and liberal, European and national."

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POLITICAL

NORWAY

USSR EMBASSY PROTESTS 'IMPROPER INTERFERENCE' IN RIGHTS ISSUE

PM101651 Stockholm SVENSKA DAGBLADET in Swedish 7 Feb 86 p 4

[Margit Silberstein dispatch: "Problems in Norwegian-Soviet Relations"]

[Text] Oslo--At the beginning of the year Norway received for the first time in many years signals from Moscow about a top-level official Soviet visit. A little while later Norwegian politicians are now being accused of improper interference in the Soviet Union's affairs.

The Soviet Embassy in Oslo has issued a press statement protesting the participation by several leading Norwegian politicians in a concert in support of the Soviet Union's Jews. At the concert artists such as Lill Lindfors and Yves Montand performed. The concert was an appeal to the Soviet authorities to halt the persecution of Jews. Foreign Minister Sverre Strøm and Storting Speaker Jo Benkow were among the speakers at the concert on Monday evening [3 February].

Jo Benkow is to lead a delegation which according to the plans is to travel to the Soviet Union this spring. The Norwegian parliamentarians will prepare for an official Soviet state visit to Norway and their visit is seen as a precondition for a Soviet prime or foreign ministerial visit to Norway.

The press announcement from the Soviet Embassy states, for example, that politicians who take part in concerts should reflect a little on the role in which they appear. They ought after all to have some knowledge of the recognized principles and norms for the relationships between states. It also points out that the Norwegian politicians probably know the real facts of the so-called Jewish question in the Soviet Union.

The same day that this press announcement was made public, another one arrived on the desks of NORWAY'S newspaper editors. It dealt with the case of a former Moscow correspondent who had been refused a visa for the Soviet Union. The embassy accused the reporter of having violated the Helsinki agreement in his reports from the Soviet Union.

No one is prepared to make any pronouncements about what these reactions mean for relations between the Soviet Union and Norway which in other respects have been thawing. At the beginning of January the Norwegian authorities received signals to the effect that Moscow was thinking about

saying "yes" to a standing invitation, reiterated on several occasions, for a visit to Norway. These diplomatic signals from Moscow were noted with great positive interest in Norway. Relations between Norway and the Soviet Union were considered to be sufficiently stable for a top-level official visit, which is to be prepared for during the Storting delegation's visit to the Soviet Union this spring.

The Storting visit has already been postponed twice. The first time was in 1982 because of the state of martial law in Poland. The second time was in 1984 in connection with the arrest of Arne Treholt who has been tried and sentenced for spying for the Soviet Union.

Norwegian and Soviet ministers and officials have not exchanged official visits for a long time because of the fairly cool climate between the two countries. According to diplomatic etiquette it is the Soviet Union's turn to send a prime or foreign minister on a visit to Norway. A Soviet prime minister has not visited Norway since 1971. A return visit was made by then Prime Minister Trygve Bratteli.

In Norway it has been noted that it is the Nordic nation with which the Kremlin leadership has the least interest in exchanging normal visits. Sweden's prime minister is after all to visit the Soviet Union shortly and Denmark's foreign minister has recently met with his Soviet counterpart. Iceland is visited by the foreign policy leadership in the Soviet Union on the way to the United Nations in New York. Finland will probably receive a visit from party chief Mikhail Gorbachev this fall.

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MILITARY

EUROPEAN AFFAIRS

NORWEGIAN CONCERN AT SWEDISH INVESTMENT IN ANTISUB DEFENSES

PM030949 Stockholm DAGENS NYHETER in Swedish 27 Jan 86 p 8

[Erik Magnusson dispatch: "Norwegian Concern at Swedish Investment in Antisubmarine Defenses: Weakens Other Defenses"]

[Text] Oslo--Norway is viewing the Swedish defense debate with growing anxiety and is worried that antisubmarine defenses are swallowing too large a part of Sweden's limited defense resources. The Norwegians are hoping that after the next defense bill [in 1987] Sweden will continue to appear as an effective buffer between the military blocs--and as an eastern wall for Norway's defenses.

Encouraged by the Swedish debate, isolated voices have warned that Norway could lose the difficult-to-penetrate defense buffer to the east which Sweden represents.

But according to Norway's commander-in-chief, General Fredrik Bull-Hansen, the shrinking of Sweden's defenses and "the change in military dispositions" that have taken place in both Sweden and Finland have still not forced Norway to reassess its view of the strategic situation in the Nordic area.

A high-ranking officer at the Defense High Command in Oslo stressed in an interview with DAGENS NYHETER that it will be several more years before Sweden's defense capability ceases to deter the rest of the world.

"Many participants in the debate all too easily forget the high level with which the Swedish Armed Forces started," this centrally placed observer said, hinting that in the fifties and sixties Sweden's defense capability was disproportionately good in relation to the external threats.

Several organizations in Norway with connections in defense in the last few months have organized seminars on Sweden's defenses. Now that the debate in Sweden in the run-up period to the 1987 Defense Bill is moving into high gear, Oslo is following developments with great interest.

"It is to be hoped that the defense bill will give a clear and unambiguous signal that Sweden will continue to play the important role the country has had in security policy and that the Swedish defense forces will continue to

make an important contribution to the stability of the whole northern region," Lieutenant-General Tonne Huitfeldt wrote in NORSK MILITAR TIDSKRIFT. Huitfeldt is one of the Norwegian officers with the best knowledge of Sweden's defenses.

Huitfeldt warns in cautious terms that the submarine threat is attracting resources and funds that the Swedish defense forces have greater need of elsewhere.

"There should be a realistic evaluation of what threat the underwater violations actually represent in relation to the other security challenges which the defense forces have to meet."

Huitfeldt argues from a very Norwegian viewpoint when he points out that modern Swedish defense forces in upper Norrland are more important for Nordic stability than effective defenses against submarines or Soviet invasion forces which could attack Sweden in isolation.

He recalls that it is not only the Swedish defense forces that have a deterrent effect when the Soviet Union assesses a possible isolated attack on Sweden, but that Norway's and Denmark's readiness to receive reinforcements from NATO in a crisis situation is also a deterrent factor.

Huitfeldt is supported by security policy researcher Arne Olav Brundtland when he stresses the key function of the Swedish Air Force in maintaining Sweden's role as a well-defended buffer in war.

Brundtland is one of Norway's foremost experts on Nordic security policy. He considers himself to be conservative and is politically active at the local level in the Conservative Party. But unlike other conservative Norwegian security policy observers, he is unwilling to support the views of brother conservatives in Sweden. Instead he is eager to try to understand all the arguments in the internal Swedish defense debate.

One can perhaps guess that this understanding derives in part from his wife, Gro Harlem Brundtland who is leader of the Norwegian Labor Party. She shares her husband's interest in security policy and has been involved for several years in the Palme commission. Gro Harlem Brundtland has made an active contribution to "deepening" the security policy debate within the Labor Party, to borrow her husband's word.

"There has been speculation that the submarine violations are a clever way of inducing Sweden to transfer defense resources to incident readiness and as a result weaken Sweden as a credible buffer," Arne Olav Brundtland said in a conversation with DAGENS NYHETER in his office at the Foreign Affairs Institute in Oslo.

"From the Norwegian viewpoint there are defense tasks that are more important for Sweden than combating submarine violations. Strong and credible defenses for upper Norrland are more important than strong antisubmarine defenses according to this line of argument."

In Norwegian eyes Sweden's defense of Norrland prevents the Russians from rapidly marching across the Scandinavian peninsula, taking control of the allied arms stockpiles in Trondelag and dividing Norway in two. Densely populated southern Norway would then be cut off from the North Calotte where the major part of the Norwegian Armed Forces permanent forces are stationed.

Brundtland sees three main tasks for Sweden's defenses, tasks which in broad terms coincide with the three branches of the Armed Forces.

The Navy deals with peacetime crises. The Air Force protects against overflight in war. The Army protects southern Sweden from occupation.

"It would be impossible to achieve full coverage for all these tasks. If Sweden were to make its investment in the Navy to improve antisubmarine defenses this would be understandable. But if this happened at the expense of the Air Force Norway would have to take the view that Sweden would no longer be credible as a well-defended buffer in war," Arne Olav Brundtland said.

"There could never be any suggestion of joint defenses, but creating security for oneself which also provides security for your neighbor is also an expression of your own national interests," said Brundtland who stressed that faith in Swedish neutrality policy must be assessed abroad.

"Sweden could have as much faith as it likes in its own defense policy, but things would be serious if Moscow, Washington, or Oslo had no faith in it."

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MILITARY

DENMARK

MISTAKEN POLICY DECISIONS SEEN BEHIND AIR FORCE PILOT LOSS

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 86 p 10

[Article by Nils Eric Boesgaard: "Pilot Surplus Led to Lack of Pilots"]

[Text] "The need for air force pilots has changed by reason of the extension of the usable life of Starfighters and the purchase of new F-16 planes," states Defense Minister Hans Engell.

"It is correct that at one time it seemed that there was a surplus of pilots," states Defense Minister Hans Engell in a comment on the reports that during 1984 the air force advised 18 active fighter-plane pilots that they should count on being dismissed at the end of 1985. The situation today is that the civilian airlines have tapped the air force for pilots to such an extent that serious problems will arise in maintaining preparedness and it may come to discussions of eliminating squadrons.

"No one could know then that, first, SAS would significantly change its prognoses, and second, that the military would decide to extend the usable life of the Starfighters--which were given one to one-and-a-half years longer on their wings than originally planned. The situation is further compounded by the fact that in connection with the defense compromise agreement, we decided to acquire an additional 12 F-16 fighter planes," states the minister.

"Therefore, it is not correct to say that we in the defense field have failed to make adequate projections. The situation has changed, among other reasons, in that the latest prognoses of SAS have been significantly increased. We are not talking now only of age categories--from which recruitment has been made up to now--but also about pilots that are older," states Hans Engell, who adds:

"There is some suggestion that SAS is over-recruiting in Denmark at the moment. That is to say that Denmark is being required to supply more pilots than the other two countries. There is the likelihood of a ripple effect so that Norway and Sweden later will experience an over-recruiting, so that in fact, an equalization will occur. But naturally, this does not mean that such developments will not cause some serious problems for us at some point in time when the training of civilian pilots--concerning which the government is about to propose regulations--has not yet commenced."

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MILITARY

GREECE

READINESS EXERCISES IN ATHENS, IOANNINA

Ioannina Failure

Athens AKROPOLIS in Greek 28 Nov 85 p 5

[Text] Ioannina, 28 November--The alert exercise code named "Niki 85" that took place yesterday morning at all the nomarchial and internomarchial services of the city was a complete failure.

The overwhelming majority of the employees did not arrive promptly at their posts at the time of the alert even though they arrived on time as usual at their offices.

Based on official estimates, 30 percent of the employees were not even aware the exercise's, taking place.

Subsequently, the governor of Ioannina, Mr Vasilis Brakatsoulas, called in all the supervisors of the services and severely reprimanded them.

It is to be noted that the reason for this exercise was the immediate mobilization of the nome's services in preparation for emergency needs that arise after snowfalls.

'Alexandros' Crisis Situation

Athens I KATHIMERINI in Greek 12 Dec 85 p 1

[Text] Tomorrow morning at 10 am the Prime Minister and almost the entire Cabinet will attend the final episode of the annual large-scale political-military paper exercise "Alexandros" which began last Monday at the Pentagon.

Besides Mr Papandreou, the exercise will be observed by the ministers--members of the Government Council for National Defense (KYSEA).

The armed forces command the chiefs of staff and commanders of large units, ministers, state authorities and various services are taking part in the exercise.

The basis for the scenario of the exercise are the situations and crises that are created in the country prior to the beginning of a war.

Further on 'Alexandros 85'

Athens I KATHIMERINI in Greek 14 Dec 85 p 1

[Text] Feigned tension and crisis situations -- hypothetical, of course-- are being created in the country, according to the scenario of the large-scale national politico-military exercise "Alexandros 85." These "situations" must be confronted by quick and coordinated actions, not only by the armed forces but also by the overall state apparatus.

The "episode" took place between 10 am and 11:45 am in the second basement of the Pentagon, in the Operations Center following his exit and shortly before his departure for the Cabinet meeting Mr Papandreou made the following statement:

"I express my great satisfaction. This is a new beginning where the political leadership assumes its responsibilities regarding the defense of our territorial integrity, based on problems-solving set by our military command."

Mr Drosogiannis, on the other hand, replying to a related question, stressed that the scenario was not related to an internal crisis.

As was reported by competent military sources, the government, for the first time took part in a staff exercise, meaning that it was informed of the problems that are confronted and of the hypothetical crisis situations, so that it could decide, together with the military leadership, what measures would have to be taken immediately.

The exercise "Alexandros 85" is an annual event and is part of the regular program of exercise. Its purpose, according to the Ministry of National Defense, is to test the readiness of the staffs and governmental mechanism to confront crises that arise prior to a war. All the ministries take part in the exercises, but the most important contribution throughout is that of the Foreign Affairs Ministry.

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MILITARY

NORWAY

DEFENSE MINISTER EXPECTS ACTIONS ON PILOT SHORTAGE CRISIS

Senior Commander Shortage Also

Oslo AFTENPOSTEN in Norwegian 14 Jan 86 p 80

[Article by Liv Hegna: "Inspector General on the Pilot Crisis: Air Force Losing Its Backbone"; First paragraph is AFTENPOSTEN introduction]

[Text] In recent years almost no fighter pilots have applied to the Air War College. The Air Force will soon be devoid of leaders. Norway is farther out on thin ice than any other NATO country. The inspector General of the Air Force, Major General Olav Aamoth told AFTENPOSTEN, "The backbone has been torn out of the Air Force." He is pleased that the government is now implementing bonus arrangements for fighter pilots, but said that training more pilots could make the problem worse since there is no opportunity for training and leadership of them after they complete pilot training in the United States.

"In the 1950's we often lost aircraft and pilots because of poor training. In West Germany there was the same phenomenon with the F-104 Starfighter. I am afraid that we can have the same thing again with our F-16's. I have nobody to take charge of the newly hatched pilots," said Aamoth, who is inspector general of the Air Force.

The Defense Department has decided to expand the bonus arrangement to 50, and to cancel the age limit of 35 years for 20 of these. The admission of students to pilot training school will be increased. General Aamoth looks at it this way:

"As an emergency solution while we wait for longer term measures, it is feasible. But as long as the bonus arrangement only applies to those who have completed 8 years of obligated service, we are just as far away from building up a nucleus corps within the Air Force.

To the question if it would be possible to raise the age limit for entry into the Air War College from 28 to 30 years, Aamoth replied that for the time being that was not of current interest.

Fighter Readiness

"Do you believe that fighter readiness is weakened?"

"If one is talking about getting a plane in the air to intercept an intruder, readiness is not weakened. If one is asking whether we can today utilize the full spectrum of F-16 capabilities, it is weakened," said Aamoth.

"If war broke out tomorrow, could we not then utilize our aircraft capabilities fully?"

"That is of course a rather theoretical question, but the answer is that the personnel situation today is rather marginal for such a situation."

"Why has the Air Force not complained earlier?"

"We have complained loudly since the middle of the 70's. But now is the first time that the government has felt able to take corrective measures. Seen in isolation the bonus arrangement will act as a fire extinguisher. It is a step in the right direction if it leads to employees of the state being valued on a par with private business in terms of salary. The Willoch government is the first which has done anything to correct the problem," said General Aamoth.

He emphasized to AFTENPOSTEN that the Air Force has just as great a problem with technicians as with pilots, and that the political authorities must find a solution to this question also:

"It requires highly qualified people to see to it that military equipment costing billions functions," said General Aamoth.

Motivation?

To the question of whether military leaders should not consider it a challenge to motivate people to stay in the forces rather than quitting, he replied:

"It is almost impossible to motivate people for jobs where they earn less than they did as lieutenants. The pay scale in the defense forces declines with increasing grade. There is something askew with that."

General Aamoth said that poor housing, the assignment system and lack of work for spouses at the places where the men are stationed are among the factors which cause dissatisfaction.

"The Defense Department and the supreme command are working on these issues. I fully understand the desire of the politicians to avoid ad hoc solutions. The Defense Department has lots to do on this matter," said Major General Aamoth.

In addition he emphasized that calling back pilots who are beginning in SAS for six months per year for three years will be a significant "crisis measure."

"But will they be satisfactory as fighter pilots when they have transitioned to the more relaxed conditions of commercial aviation?"

"They will get a one-month training course and then function for five months in the Air Force. We will use the best pilots in this manner," said General Aamoth.

Contracts Proposed for Flyers

Oslo AFTENPOSTEN in Norwegian 20 Jan 86 p 60

[Article by Liv Hegna: "Commander Thor Systad on the Crisis in the Air Force: The Leaders Must Not Be Fighter Pilots" First paragraph is AFTENPOSTEN introduction]

[Text] "The way to a stabilized fighter pilot corps is best achieved by turning this service over to contract NCO's. Furthermore officers educated in the Air War College should get flight training 'so that they would know what they are talking about.'" This was said by Commander Thor Systad, chairman of The National Union of War College Graduates (KOL) to AFTENPOSTEN. Systad believes that the Air Force should use the Navy's model to solve the leader crisis in the Air Force: "The leaders should also be recruited from other categories besides fighter pilots," said Systad.

KOL is mainly of the opinion that a large number of the leading positions in the Air Force should be filled by officers with another area of service and experience than fighter pilots. This was stated in an editorial in KOL's newspaper VART VERN recently. Systad told AFTENPOSTEN that it should not be necessary that the commander of an air station be a trained fighter pilot. "His tasks will be within the material sector, maintenance and supply, and he will furthermore have the responsibility for defense of the air station. Purely operationally, the aircraft stationed at the airfield come under the commanding general of the military region. Why is it impossible to use antiaircraft artillery for such jobs?" asks Systad.

Career as Leader

According to Systad, to train war college educated officers in "the art of flying" would be in accordance with a pattern that the Navy has followed for many years in order to avoid getting into a leader crisis: "The Navy has trained a category of NCO's for one year at the Naval Academy. Thereafter they functioned on contract for 10 years, serving for example on motor gunboats or motor torpedo boats. These people have now gone into the merchant marine or found jobs ashore. But when it is necessary to produce leaders the Navy uses another career model. These are officers who have completed war college who have served at sea for a time, gradually also in positions of leadership. They go through the grades from ship captain to division commander to squadron commander until they end up as flotilla commander on shore. It is that category which gradually becomes the commodores and admirals."

Undermining

"Their desire when they applied for admission to the war college was a military career. Their attitudes will be different than those of the contract NCO's. Through conversations with fighter pilots I have come to understand that their attitude for the most part is that when they get ordered to a desk job they will quit. This attitude is undermining the Air Force," said Commander Thor Systad.

Systad also emphasized that KOL in its agenda for 1986 has agreed that "economic remedies should be selectively used to prevent the loss of key personnel from the defense forces which causes termination of priority activity."

"Today's fighter pilots are an important personnel group for the defense establishment. Flying fighter planes should be turned over to contract NCO's who, after reaching age 32, find it natural to leave the defense forces to the advantage of SAS," emphasized Commander Thor Systad.

Minister Cites Remedial Steps

Oslo AFTENPOSTEN in Norwegian 23 Jan 86 p 5

[Article by Morten Malmo: "From the Parliamentary Question Period: Civilian Pilot Training Is Coming" First paragraph is AFTENPOSTEN introduction]

[Text] The Ministry of Defense and the Ministry of Transport and Communications are now having discussions about moving toward the establishment of a commercial pilot training school in Norway. Defense Minister Anders C. Sjaastad announced this during the Storting question period yesterday. Several measures are being worked on so that the Air Force will not lose pilots and key technical personnel. Previously 100 warrants for special pay were given out for technical personnel, and now 50 more will be granted.

The defense minister replied to a question from MP Finn Knutsen (Labor Party) who wanted to know what steps are being taken in this area. Sjaastad recalled the Storting's previous decision concerning pilot efforts, and also the adjustments which are being made. Contracts can now be made with 50 pilots who commit themselves either to 8 or 15 years service in the Air Force, for a bonus of 640,000 kroner or 1.2 million kroner. Pilots who have reached the age of 35 will only be able to have the 8-year contract.

Reitgjerdet

Minister of Health and Social Affairs Leif Arne Helsoe said during the Storting question period that there is no significant difference between him and the Minister of Justice and Police about the Reitgjerdet case, because both of them saw the need for a better offer of treatment for the patients concerned. Helsoe maintained, when he replied to a question by MP Bjorn Erling Ytterhorn (Progressive Party), that he expects a solution will be found after the health ministry goes through the problem. Helsoe would not exclude

that two or three "strong sections" would be established to provide treatment for Reitgjerd patients. He did not deny that such treatment availability could be established at Trondheim.

"There have been very few incidents in which personnel in the UN Force in Lebanon have used alcohol while on duty, and these have caused them to be sent home. We take these cases very seriously, and will continue to react strongly," said Minister of Defense Anders C. Sjaastad after MP Eleonore Bjartveit (Christian People's Party) during the question period referred to a newspaper item which told about significant alcohol consumption among Norwegian UN soldiers. Mrs Bjartveit also said that according to information from people who have served in Lebanon, the use of alcohol by personnel gives cause for concern, not satisfaction.

Rettedal Gift

Minister of Labor and Municipal affairs Arne Rettedal entered the Storting question period yesterday with a gift package, which according to him is especially for women in Norwegian districts who want to establish their own businesses. "The rules for the district expansion funds will be changed and the funds expanded so that hairdressers, chiropodists, cosmetologists and others will be able to get investment support and business development grants." The arrangement is expected to be utilized best in compact towns with less than 1,000 inhabitants, said Rettedal in reply to a question from MP Eli Arnstad.

PLO Office

It is not of current interest to consider a prohibition against the establishment of a PLO office in Oslo. That was the reply given by Minister of Justice and Police Wenche Frogn Sellaeg to MP Bjorn Erling Ytterhorn (Progressive Party) when during the question period he wanted to know if the terrorist threat directed against targets in Norway would not have consequences for the establishment of a PLO office in Oslo. The minister furthermore pointed out that the Odelsting and the Lagting last year rejected a proposal about that from the Progressive Party. In his reply to the minister Ytterhorn said that her attitude would puzzle many people, as it is the same as saying yes to the PLO. The minister did not agree with this and said, "We cannot deny Norwegian citizens the right to conduct informational activities. This is not a matter of our attitude toward the PLO, and it is not a question of giving the information office official status!"

Pilot Recruitment Remains Strong

Oslo AFTENPOSTEN in Norwegian 23 Jan 86 p 40

[Article by Liv Hegna: "19 Hopefuls Pass Through the Needle's Eye: We Want to Be Fighter Pilots!" First paragraph is AFTENPOSTEN introduction]

[Text] Rolf Liland, age 20 and from Bergen: "I want to be a fighter pilot. It must be great to sit behind the controls of an F-16!" Yesterday he sat at a school desk for the first time after the admission council at Rygge Air

Station had let him pass through the needle's eye. Liland is one of the 19 handpicked young men who are now busy at the flying school at Vaernes. Do any of them have plans for a military career and finally ending up as a general? No, they have not thought so far ahead. "That depends on whether we like it in the defense forces," they said in a chorus. For this admission there were over 600 applicants.

As one of several measures in the pilot crisis, the Defense Ministry has decided that admission of students for training as military pilots will be increased. The group which the admissions council decided to take in now, however, is no larger than usual. The commander of the Military Flying School, Major Claus Molbach-Thellefsen said:

"We have already reached our capacity. We also have a waiting list for new beginners. During 1977-1984 we had three groups enter per year compared with two lately. But it costs more money because of the Working Environment Law. We must pay the instructors at the Recruit School and the NCO School for overtime. It is no longer true that they would rather work a few hours extra every day and use the weekends to take care of what they did not get around to on the weekdays."

Shortage of Leaders

Colonel Jens Petter Andersen is the air service inspector at the Air Force Staff. He told AFTENPOSTEN:

"What good does it do to give more of them basic training when we have only 20 places at advanced pilot training in the United States. An additional limiting factor is the shortage of qualified instructors who can give the boys checkouts on the F-16 when they come home from the United States. The shortage of leaders in the pilot corps is such that we can see no solution to this problem."

But the 19 who passed through 14 days of admission tests are now beginning their pilot careers. Several of them have experience flying sailplanes or jumping with parachutes: Andreas Dahl from Oslo, Stein Hugo Nilsen from Elverum and Erlend Hagen from Bodo all have papers certifying that they can fly sailplanes. They thereby have knowledge of the basic principles of flying. They know which natural forces are utilized to hold an aircraft in the air. Now they will go further and learn what man can achieve by adding significant engine power. F-16 aircraft of course perform almost like missiles. Some in the class will fly antisubmarine patrol aircraft (P-3 Orions) and helicopters. But the basic military training must be put behind them first.

During the first days at flying school they must learn to salute. It is not so easy to learn all the details.

To AFTENPOSTEN's question whether the students were influenced in any way by all the talk of a pilot crisis when they wanted to enter the flying school, they all replied that it did not count in their decisions. "To what extent

the pilot crisis will continue will of course depend on how the Ministry of Defense arranges things," they all said.

As soon as 1 April the first man will go up in the air in one of the school's SAAB Safari training aircraft. Six instructors will teach the boys how to fly. In more than one year those who have managed to complete the difficult requirements for being a student pilot will leave for the United States. In the next phase their task will be, among other things, to occupy positions in the fighter pilot corps.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

BARSCHEL WARNS AGAINST LAENDER SUBSIDY COMPETITION

Duesseldorf HANDELSBLATT in German 23 Dec 85 p 3

[Interview with Uwe Barschel, minister president of Schleswig-Holstein, by Hans Joerg Sottorf: "Emphatic Warning of a Relapse into Subsidy Competition"; date and place not given]

[Text] Bonn, 21-22 Dec 85, HANDELSBLATT--Uwe Barschel, minister president of Schleswig-Holstein, has warned of competition between the Laender in the realm of economic stimulation. In an interview with HANDELSBLATT he said in this context, "We should be careful not to fall into a new subsidy competition."

Barschel took a critical look at the practices of the Laender of Baden-Wuerttemberg and Bavaria, which have attracted attention because of their so-called neo-mercantilism. Barschel: "Whoever is engaged in massive wooing campaigns, whoever feels that they have to provide companies with extra bait through taxes--to which after all everyone contributes revenues--whoever pursues a deliberate policy of industrial stimulation to the detriment of his neighbors, is acting not only contrary to the federal spirit, but also with shortsightedness in an economic sense. In terms of the entire economy, a sum total of zero is the consequence, which is to say that additional jobs are not being created. The gains of one party are in contrast to the losses of another."

With respect to industrial settlement policy, the minister president of Schleswig-Holstein feels that the Laender are in a "cartel-like situation." As the example of OPEC shows, cartels can only exist as long as everyone obeys all the rules of the game. If one member deviates from them, then the cartel falls apart, to the detriment of all participants.

Barschel describes as "alarming" the fact that, for example, at the Land party congresses in Baden-Wuerttemberg and Bavaria "principles of political order are conjured up, but that practical policy then has a different face."

The minister president added: "I think that minister presidents or economic ministers should not step in as primary participants or moderators in the reorganization of company structures in the societal realm."

Competition between the individual Laender, Barschel emphasized, should be limited to creating a "climate favorable to business," because in this, good ideas often count more than financial strength. As long as it is a question of competition between ideas and better climatic conditions, considerations of political order are out of place, he said.

A climate favorable to business could, as it were, be seen as "public property" and be provided by policy at the most minimal expense, the Schleswig-Holstein head of government believes, adding, "It has been proven in the past that companies like to invest wherever there is a receptive attitude towards their problems and wishes, wherever action is taken quickly and unbureaucratically, wherever there prevails an optimistic atmosphere that is favorable to innovation."

Such an atmosphere is prevalent in his Land, he said, where great importance is attached to research and technology policy and where it is also supported. In order to accelerate the process of applying scientific knowledge in the economic realm, Schleswig-Holstein has come up with a set of measures, he said.

According to Barschel, this includes the stimulation of economically significant research and development projects, innovation and technology advice, the technical advisory office for colleges, sponsorship of inventors, the state's participation in the Geesthacht Research Center, the pilot and demonstration plans for new energy technologies and the establishment of institutes engaged in economically-related research.

The minister president set great store by the observation that his Land provides assistance and innovation advice to small and medium-sized companies in particular. He said: "We are setting up so-called trade parks since we came to the conclusion that the large number of firms and start-ups was good, but that on the other hand the number of insolvencies is high in this particular realm."

In this type of trade park, which is supported by communities, professional associations and the economy, the young businessman can first test his patent or procedure that he wants to put on the market before he builds an entire factory with all its necessary equipment. In this way, the risk of those involved is minimized, he said.

Barschel conceded that his Land as well is engaged in providing "innovation advice through taxes" in these stimulation efforts, and that it is questionable whether this should be done. "I believe that no Land has a clean slate in this," he said, and he is also prepared to admit that he is, as he put it, "no high priest of order." However, he believes that it makes a difference whether through this assistance one is improving the framework or is bolstering an "economic giant or a corporation." Barschel sees a limit in the point at which the state "is practically not only soliciting business, but has itself become a solicitant."

Barschel feels that the breakdown into "North-South differences" that has developed within the context of the industrial policy of individual Laender is

striking, although for him it is too undifferentiated. The North's problems consist primarily of the difficulties in North Rhine-Westfalia and in the northwestern coastal region near Bremen and Hamburg, he said.

The economic development of the northern German Laender is progressing with a great deal of differentiation, he said. Between 1970 and 1974, for example, the gross Land product in Schleswig-Holstein rose 40.8 percent. This was the third strongest growth rate in the country, after Bavaria (49.1 percent) and Hesse (41.1 percent). Schleswig-Holstein is the only Land in the north that has been able to increase its share in the real gross domestic product, he said.

The minister president of Schleswig-Holstein knows that his Land continues to have "structural deficiencies," but on the other hand he points to innovation oriented companies in Schleswig-Holstein which, as he puts it, "are able to keep pace in international technological competition and are even partly in the forefront." Without pretending that it was an exhaustive list, he named as examples the Draeger Works, AEG-Wedel, Hagenuk, Hell and HDW Electronics.

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ECONOMIC

FINLAND

BUSINESS COLLEGE ESTABLISHING EAST BLOC TRADE STUDY CENTER

Helsinki HELSINGIN SANOMAT in Finnish 11 Jan 86 p 29

[Text] Turku (HS)--The establishment of an East Bloc trade study and training center is being planned in connection with the Turku Business College.

"At present the East Bloc trade is studied here in Finland in a disorganized manner, inadequately and without centralized coordination in different colleges and research institutes," the president of the College, Reino Kanerva, who has been serving as chairman of the study group that is looking into the matter, said on Friday.

Kanerva assured us that, while an East Bloc trade study unit is in operation at the Lappeenranta Technical College, this does not mean that their activities will overlap [those of the new center].

"The Turku unit would concentrate on the study of East Bloc trade taking place on the scientific bases of the business economy and of the national economy, and the lessons provided by it would be included in the training of economists and possibly also in the teaching of economics in the universities."

Turku Business College administrative director Arno Leino assured us that the college is particularly well-equipped to carry out the project. "We would get the space for it in the new institute building we are going to start to build next fall.

"Besides, behind the plan are not only the Turku Business College, but also the University of Turku and Abo Academy with their subsidies."

In Leino's opinion, about 2 million markkas would be sufficient for grant appointments for the next 5 years.

They feel that it is important for the Turku Business College to obtain an East Bloc trade professorial appointment. This would guarantee the standards of the project and its continuity. Also included in the plans are positions for a research assistant and an institute secretary.

"It is of utmost importance now for the city of Turku to participate with the 600,000 markkas that have been requested of it. We have received a preliminary promise from local businesses that they will contribute the same amount the city does for expenses," Leino said.

In the next phase it will be determined whether the Council of State is to participate in the project, since the minister of education will be deciding the fate of the grant appointments. The Turku Business College has proposed that a grant professorship be included in the national budget for next year.

Over 100 businesses in the Turku and Pori Province area engage in exports to the Soviet Union. The volume of exports is substantial: about 4.5 billion markkas in 1984.

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ECONOMIC

FRANCE

ROLE OF JAPANESE SHOSHAS IN ECONOMY DISCUSSED

Paris LE MONDE in French 4 Jan 86 p 22

[Text] It is hard to imagine the long time "aircraft carrier of Japanese industry" offering its services to France. Yet, according to Mr. Sato, President of Mitsubishi, one of the nine major Japanese trading companies ("sogo shoshas") in France (1) (The nine major "sogo shoshas" in France are: C. Itoh and Co., Kanematsu-Gosho, Marubeni, Mitsubishi, Mitsui, Nichimen, Nissho Iwai, Tokyo Menka and Sumitomo), "we must henceforth increase our exports of French products." A surprising revelation from companies which personify the commercial aggressiveness of the Land of the Rising Sun.

The offer is certainly very attractive. With a total of over 80,000 agents, each of these highly developed commercial networks boasts more than 100 sales offices worldwide (and Mitsui and Mitsubishi have twice that number). The most powerful have their own satellite telecommunications systems. Sumitomo sends more than 50,000 telexes each day, which could fill roughly 400 pages of newsprint. In sum, its internal organization supports a structure that earned total revenues of \$377 billion in 1983—one-third of Japan's gross national product.

Selling products from France (or from any other country where they have established subsidiaries) has never been a priority for the "shoshas." These firms were founded during the early years of Japanese industrialization (Meiji era, 1868) to serve the nation's vital interests. Their role was to provide supplies of raw materials (which the archipelago sorely lacks) and to manage the necessary exports to pay for these imports.

The importance of raw materials in Japan's overall trade gradually declined while the by now experienced manufacturers began to directly export products that were increasingly "easy" to sell, such as automobiles, television sets and other mass-produced consumer goods. As direct exports, bypassing third parties, grew, the share of the "shoshas" in Japan's foreign sales dropped from 51 percent in 1976 to 46.5 percent in 1983.

This drop was reflected in their revenues. Mitsubishi's net profits fell from \$200 million in 1981 to less than \$115 million three years later. The situation was further exacerbated by uncertain world economic conditions

which caused a slowdown in trade. In November 1985, the "shoshas" noticed that the yen value of their export contracts had plummeted 26 percent within 1 year.

To replace the loss of their market share of Japanese foreign trade, the "shoshas" are therefore offering to export the products of other nations. "We are not nationalists," explained the CEO of Mitsubishi-France. "When the market is promising, we will export, regardless of destination. What is important is the company interest."

Last year, the largest "shoshas" installed in the Hexagon thus sold Fr 1.2 billion worth of French products in foreign markets, while their imports totaled Fr 330 million. Net result: a surplus of Fr 870 million for our balance of trade. Today, the "shoshas" are offering to help France export to various destinations: to the countries of Asia, Japan's neighbors with which it maintains traditional relations; to the United States, with which the island nation maintains a significant balance of trade surplus; and even to Africa, where the "shoshas" are gradually gaining a solid foothold.

In any event, despite their desire to calm Paris' annoyance (the government is complaining of a Fr 15 billion trade deficit with Tokyo), it is not primarily to Japan that the "shoshas" intend to export French products. This would appear logical, since these goods already represent a significant part of bilateral trade--74 percent of exports and 20 percent of imports. It is difficult to do more, they claim. They consider that French products are not competitive--in terms of prices, quality, and delivery times.

The products that have the best chance for success on the Japanese market have "already been taken" by competitors, complains the manager of Sumitomo, one of the last "shoshas" to set up offices in France twenty years ago. Envious of Mitsui, which opened in Lyon in 1878 and was the first to export sporting goods with quick success, Sumitomo believes it is dealing only with the leftovers: cherries, tomatoes and mustard. This explains why the value of French products it exports to Japan represents barely 10 percent of the value of Japanese products it imports into France.

The trade of other "shoshas" is more favorable to Paris, since overall the share of bilateral trade due to their activities resulted in a surplus in excess of Fr 2 billion in 1984, according to statistics furnished by the Japanese embassy in Paris. However, half of this sum represents French sales of uranium while chemicals--the second largest export sector--now represent only 11 percent of the total and machinery represents 7 percent (vs. 61 percent for sales of Japanese products in France).

The "shoshas" are promising to multiply their efforts. They are increasing the ratio of French managers on their staff, they have established special offices to develop new technologies--in the fields of aeronautics, biotechnology and composite materials--that are likely to succeed in the Japanese market one day. Nevertheless, in their opinion, a competitive French product has yet to be invented.

In addition to overcoming the problems inherent in French products, the "shoshas" must deal with their own weaknesses. More specifically, they are criticized for their lack of flexibility, which restricts their ability to adapt to new situations: "Once we are married (to a product), we respect our obligations even if a better opportunity presents itself," admits Mitsubishi. It remains to be seen whether the survival instinct, which is forcing them today to modify their strategies, will once again successfully mobilize these houses which boast of their ability to sell "with energy culled from despair" in the nascent Japan of 1868 and in a devastated Japan during the postwar period.

[Box insert] Two Paths

To use or not to use a "sogo-shosha"? One question with several answers. Two manufacturers of ski bindings, Salomon and Look competitors both attracted by the Japanese market, with an estimated demand attracted by the Japanese market, with an estimated demand of 900,000 pairs of bindings--higher than that of the United States (800,000 pairs) and France (500,000 pairs)--each supplied a different answer.

At first, both opted for the "sogo-shoshas." Salomon selected Mitsui, Look chose Marubeni. At the time, Look seemed to be the more suspicious of the two and protected itself from potential local forgeries by endlessly filing patent applications, while in 1972, Salomon signed an agreement granting a local production license in addition to its distribution agreement. But because of customs tariff reductions on imports of ski bindings, Salomon was able to return production to its Annecy plant as early as 1979. Initially, both competitors thus followed the same path: distribution by a trading company.

1980: First divergence. Salomon introduces boots in addition to bindings, tries direct exports. It creates its own "minisubsidiary" for distribution in Japan. During the first year, 10,000 pairs of boots are sold.

1982: Look and Salomon part ways. Emboldened by its initial success, Salomon does not renew its distribution contract with Mitsui. "We took the risk despite the fact that all of the banks advised against it," recalls a company employee. Mitsui then turned toward Look, acquiring the distributorship. Since then, each manufacturer has followed its own path, Look with a "sogo-shosha," Salomon without.

Is there a lesson to be learned from this? Salomon has certainly benefitted from its independence. Through direct distribution, it increased sales of bindings 30 percent during the 1982-83 season, while sales had previously been stagnant. "There is no doubt that Mitsui is a big house, with a slow reaction time," admits Look, which nonetheless remains loyal to Mitsui.

Look does not believe that it has the wherewithal to acquire freedom from the Japanese business concern. Its gross revenues are insufficient since it supplies only 20 percent of the Japanese market compared to Salomon's 50 percent share. And Look gives the credit for this performance to Mitsui,

which increased sales from 50,000 pairs in 1982 to 120,000 pairs 2 years later. Both French manufacturers recognize that using a "sogo-shosha" facilitates entry into a difficult market. It remains to be seen at what point this middleman becomes an encumbrance.

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ECONOMIC

ITALY

UNIONS REACH TENTATIVE ACCORD ON WAGES, HOURS

New Agreement Reached

Rome L'UNITA in Italian 26 Nov 85 pp 1, 8

[Article: "New Hours and Benefits for Four Million Government Workers; Inflation in November Still Steady at 8.5 percent]

[Text] We now have the first endorsement of this fall's contractual negotiations and one which practically puts an end to the dispute of almost four million public workers. The agreement is not yet an "official" one, because the union wishes to consult the workers first, but above all because some problems remain to be solved--for example the granting settlement of the "incentive fund" for productivity--but the general opinion is that "an understanding has been reached." The document contains many innovations. There is the new automatic wage indexation which will work this way: the first 580,000 lire of each salary will be indexed at 100 percent. The remainder will instead be covered at 25 percent of the inflation rate. From now on any adjustments in benefits will take place every 6 months. Another important outcome is the new work schedule which will increase the efficiency of government offices (with the afternoon opening of counter services to the public). On the inflationary front the signs are not reassuring: November's figures show that inflation remains quite firm at above 8 percent while the cost of living has risen by an additional 0.6 percent.

Draft Agreement

Rome L'UNITA in Italian 26 Nov 85 pp 1,8

[Article by Stefano Bocconetti: "Thirty-six Hours of Work for Everyone; the sliding Scale Changes"]

[Text] Rome--This fall's trade-union talks have produced their first "endorsement." Yesterday at the Palazzo Vidoni, the CGIL-CISL-UIL have underwritten a long document that practically puts an end to the extended contract negotiation of 3.5 million government workers. This is not the absolute, final version even though (it is quite close.) To be more precise, what was initialed yesterday by the unions and the government was a "draft agreement" which in 20 pages summarized the understandings that both government and unions have reached concerning all those topics that are on the contrary blocking the consultations with Confindustria, namely: reduction in work schedule, a new sliding scale, employment, flexibility, and new work organization.

It is a "draft agreement" therefore, and not yet a final one. This is not a question of formality: these 20 pages must now be passed on for the "scrutiny" of the assemblies in government departments, in local organizations, in hospitals, in schools, in the post offices and so on. Only after a "yes" from these groups will the "draft agreement" become an "interdepartment contract" (as it is so defined by "framework"). These consultations, however, will take place in the shortest possible time, and everything indicates that the "official" signature will become valid within the first week of December.

None of this, however, at all diminishes the importance of the agreement (or "pre-understanding," as Bruno Bugli of UIL wishes to call it), which was reached yeasterday. This is true for many reasons. "Because it is the first dispute conducted and concluded in a conjoint fashion after almost 3 years of break downs, polemics and stoppages," according to Tonio Lettieri, secretary of CGIL. It is important, therefore, for the signal it sends, but also and above all for its contents. Let us briefly examine the major points.

Automatic Wage Indexation

Government and unions have come to agreement on a new method of indexing. At present this new method only concerns government employees. But it is clear that it is unavoidable that the understanding will have effects on other negotiations such as those with Lucchini. In the sense that from now on Confindustria must resign itself to the idea that an automatic wage indexation completely different in substance from that which emerged from the talks at the Palazzo Vidoni, is absolutely out of the question (and this is also the government's thinking: "It is not possible"--stated government Minister Gaspari--"to think of having one sliding scale for the private sector and another for the government").

Hence, the mechanism that will probably form the basis of wage reform will be this: the first 580,000 lire of each "salary" will be indexed at 100 percent while the remainder will be covered at 25 percent of the inflation rate. With the addition that from now on the cost of living adjustment will be every 6 months (and that the government proposal of "purging" from the benefits the effects of increasing the IVA [Value Added Tax] has not been accepted); an example can be developed. Let us take a "paycheck" of one million. In the next 6 months, let us suppose, inflation will increase by a hypothetical 10 percent. In that case, the first 580,000 lire will receive an increase equal to the rate of inflation (58,000 lire), while the remaining 420,000 lire will increase at 25 percent of the inflation rate (10,500 lire). Altogether the allocation will be 68,500 lire. Not only this, but (the basis for calculation will not be "fixed" because each time the initial 580,000 lire will be reevaluated with respect to inflation. The degree of coverage of this sliding scale will be on the order of 50 percent, and as the union people have explained, this double indexing procedure will guarantee coverage of 100 percent of an average salary of 742,000 lire.

Employment

Even if for obvious reasons, the attention of union commentaries has focused above automatic wage indexation, the union is "bringing home" many victories in other areas. For example, where until now the following rule has been in force in government offices: various financial laws have blocked any new undertakings, but the ministers--all the ministers, beginning with Gorla, a "stickler for discipline"--have issued decrees to "modify those norms. Thus, in the words of the CISL secretary, D'Antonio, "Favoritism has (been taken hold), and there has been a failure in facing the duty of planning."

Now, instead, it will be different: the document pledges the government to launch a three-year plan for employment. A plan--and the method for working it out is contained right in the agreement--which (evaluates) what are the real, urgent needs of the various sectors and will stabilize how many new posts must be created, where, and for which services. This plan will have to be "verified" with the union each year.

Work Schedule

Again in this case the agreement sounds a little like an "affront" for Lucchini. The government administration has, in fact, decided to reduce the work week for all its employees to 36 hours as requested by the union. This decision will concern one third of the work-force in the sectors those that at present exceed the "ceiling" of 36 hours. And there is a specific date: in December '87, even though the practical terms of this reduction will be decided in the discussions in the various sectors.

Mobility, New Organization of Labor

This is a paragraph strictly tied to the preceeding one. In the sense that the union has wanted a reduction in the work week, but in order to make the offices more functional so that they respond better to the needs of the users ("a discussion to concretely outline a bit of reform," adds Lettieri). Thus from now on there will be new shifts to favor the opening--generally speaking until 1800 hours of offices, there will be mobility from one sector to another, and there will be reorganization to avoid waste, duplication and areas of non-productivity.

These are the main features of the understandings reached. The days remaining till the official signing will also serve for finding agreements about those parts still uncertain. Still remaining under discussion are questions of "industrial relations" (the union would like an agreement of the type underwritten with the IRI [National Institute for the Reconstruction of Industry] with procedures and rules which govern the discussions), the problem of contract renewal dates (the government would like to "test" this by letting them slide for 6 months), but above all there is still a confrontation on the "incentive fund." This is a great innovation: it deals with money which should be tied to any increase in productivity. The government has approved setting up the "fund" but there remain many differences on the amount: CGIL, CISL and UIL are asking that one percent of the "salary fund" (600,000 million lire) be made available. Gaspari replies with a figure of 0.5 percent (300,000 million lire).

Such barriers should not, however, preclude a good outcome to the negotiations. But to quote Lettieri once more, "Woe to those who consider the discussion closed with the signing of the agreement."

The "interdepartmental negotiations," in fact, open up a new contractual phase: after the Palazzo Vidoni agreement the group contacts from the eight sectors, in which government employment has been divided, will begin.

According to the CGIL secretary, "We have fixed the general lines, the norms--which let us remember will have the value of laws--but then it will be the concern of the bargaining process to translate these norms into practical terms. If you will permit me a slogan: let the agreement we have reached on central issues really serve to promote peripheral negotiations in all sectors and business."

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CSO: 3528/23

ECONOMIC

ITALY

PRESS VIEWS AGNELLI'S EXPANSION OF POWER

Potential Power Center

Rome LA REPUBBLICA in Italian 9 Jan 86 p 27

[Article by Giuseppe Turani: "The Lawyer's Spiderweb: From an Impregnable Tower Agnelli Guides the Fiat Recovery"]

[Text] With many allies and two of the largest newspapers, an empire is being created that might end up invincible, solidly in the hands of the family. Among the creators of the strategy developed in the last 5 years, Cesare Romiti ranks in the top level. There are concerns among the politicians, who fear the establishment of a power center capable of strongly influencing the prime minister's office.

Milan--At this point, many are asking themselves where Agnelli, Fiat and Romiti want to go. Hardly 5 years ago, the days of the Turin group appeared to be numbered; now it has been transformed into a kind of dreadnought that nothing can resist. Within a very short time, an insurance company (Toro) and Rinascente have been reestablished. They control SNIA and Rizzoli-Corriere of LA SERA. They did have Montedison, but later decided to unload it. In compensation, they have strengthened their presence in the rising star Gemina and in the Via Solferino publishing house. Furthermore, all are convinced that Gemina will soon make a big increase in capital and that it will ultimately triumphantly join the Generali, adding it to the empire. After that any scenario, however fanciful, will become possible: the financial power of a "Torino plus Generali" combine would be simply explosive, a kind of business H-bomb. Nothing could resist it. "If the lawyer wished, he could buy all of Italy," that is what is said in Piazza degli Affari.

According to some, this is the strategic plan developed by Romiti and Agnelli: to use today's strength to become very strong, invincible tomorrow. Also because this financial power will be further strengthened by a fairly simple, but very solid, plan of alliances: Pirelli, Orlando, Lucchini, Giampiero Pesenti, Catholic financing represented by Mittel and Bazoli (Nuovo Banco Ambrosiano), very close to the Sees of Milan and Brescia and the Christian Democratic secretariat, Camillo De Benedetti, cousin of Carlo, but distant from him, in addition to several minor but important families, the Acutis, etc. And with support from two of the largest dailies in the country (LA

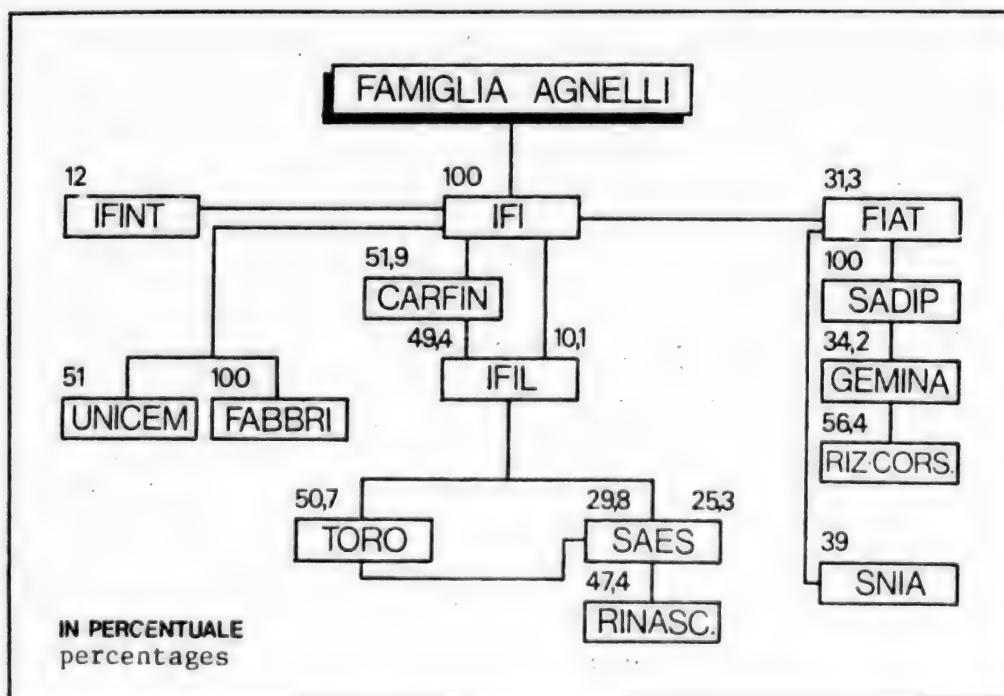
STAMPA and CORRIERE DELLA SERA), which are already an integral part of the group.

A bloc of this kind would command respect from all (bankers, unions, politicians) and turn out to be unbeatable. Turin would regain the power of the time when Valletta commanded in Corso Marconi; Valletta, who legend says needed only a phone call to bring down a government, dismiss a minister, or have 10 autostradas built. And this would conclude, here in 1986, 20 years during which Fiat has been described as a power in decline. For all the others who during these years had been playing a protagonist role on the Italian financial scene (Carlo De Benedetti, Raoul Gardin', Silvio Berlusconi, Mario Schimberni), there would remain only nondecisive secondary parts. Sooner or later they would be forced to come to pacts of nonaggression and good neighborhood with Turin.

1950's and 1960's

The most fanciful even say that this is the institutional transformation toward which the country is moving, almost without knowing it: in fact, that they are on the point of becoming a kind of "Fiat Republic," with a union increasingly excluded and parties constantly more intent on arguing among themselves issues of no great importance. The important things (what investments to make, foreign policy, and distribution of power) would be decided within the "Turin bloc." Those whom this scenario basically pleases comment with a smile: "If you think about it, this is the way it was in the 1950's and half of the 1960's and it worked beautifully. Why should it not work well today? It is the great dream, the Lawyer's great return match with a country that was not able to understand him and forced him to play on defense for 2 decades."

Agnelli Family



And there are already those who instead are concerned about it, also in the political world. The most anxious seems to be the PSI council president and secretary himself, Bettino Craxi. This development does not please him for various reasons. First of all, the plan does not suit him in its general terms. It would be different if it were possible to put himself at the center of this galaxy of power being formed, but this appears to be ruled out. Thus, what he perceives is only the increase of a power different from his own, the political power. A power that he may not be able to influence and that has all the appearance of eventually being capable of influencing him. And, as is known, Craxi is one who does not much like having many powers around him. Also, he is not very happy about the direction the CORRIERE matter has taken. The Socialists have done so much (even too much) to count for something behind the Via Solferino paper, and they do not like the fact that now it has become all Turin's.

De Mita, almost certainly, has the same concerns as the prime minister, but he gets less upset, because he is more diplomatic, more subtle, and because his own ground is to some degree within the new concentration of power now forming. The other parties, assuming that they are aware of something, are trying to figure out how to derive some advantage, but have no precise strategy.

However, people in the business world are wondering: is it possible that all this is really happening, and will the decisive moves actually come about in the early months of 1986?

New Fact

The most alert observers have noted a new fact. While in the past Fiat concentrated above all on "doing" industry and left business to the IFI, the family financier, the roles are now changed. The place where the plans are completed and the ventures assigned for broadening the limits of the empire is Fiat. In the years since 1980, IFI has only kept what it had (Rinascente and a middle-sized insurance company). The important new acquisitions (SNIA, Montedison, Germina, and even Rizzoli) have been concluded by Fiat, through its respective finance companies. And within Fiat it is (as everyone knows?) Cesare Romiti, a man of undoubted temperament and who is not comfortable with people who are satisfied. He has worked for almost 10 years, from 1975 to 1985, to bring the Turin industrial group back to its old splendors (and in truth even to something greater). Now the moment has come to move forward. Indeed, there are many who say that the director of the big offensive, of the conquest of the Generali, will be he himself.

In the meanwhile, IFI, which is the family strongbox, where the control of all the empire lies, has changed its own statute. The ordinary shares of the company, which give the power, not only are not now and will not be quoted, but it has been established that members of the family (the only people who own them) will not be able to sell them from now on without first offering them to other members of the family. In this way, IFI has made itself a medieval castle, with so many moats and towers that an attack from outside is unthinkable.

There was a small defect in the empire, a hole (not even very big) through which someone would have been able to pass, SNIA, where Fiat's control was not the most solid. A merger of SNIA with Sorin was thus decided on, so this leak also was stopped up.

In summary, Turin is now a group closed like an oyster, compact and without cracks. One should add that its overall debts have now reached a ridiculously low level, while its profits will reach almost 1 trillion in 1985, and this will be clear, because many say we are on the eve of important events.

The Turin group has obtained brilliant results in the last year. It is true that in the stock market's view those just concluded have been in the fire for 6 months, however, the Lawyer's horses have really been running like crazy. A few facts: in December of 1984 the shares of the group capitalized at just under 8 trillion, while in December 1985 they were already altogether worth more than 21 trillion. They had thus increased by almost three times. And this is not the only significant figure. The Italian stock market in December 1985 was worth a little more than 90 trillion. Shares controlled by Agnelli totaled 21 trillion. Thus, more than 20 percent of the share list was directly in the hands of Turin. The importance of the other groups was much less (aside from state participations, whose quoted shares were worth in all almost 25 trillion). For example, Montedison, taking the group as a whole, does not reach a capitalization of 10 trillion. De Benedetti approaches 6 trillion. Pirelli stands at only 2 trillion. Pesenti barely tops 2.5 trillion. Ferruzzi does not reach 1.7 trillion.

Further Piece

However, there is a further piece to complete the picture. As is known, Gemina recently sold its share in Montedison to the PAF of Gianni Varasi, and is scheduled to receive the last installment of the payment in January. At that point it will have on hand nearly 500 billion in liquid cash. Can one imagine that it will not occur to Romiti and Agnelli to strike while the iron is hot and to bring home another slice of Italian finance, perhaps Generali itself, thus increasing enormously its own power over the Italian business world and society?

Evaluation of Gemina Strategy

Rome LA REPUBBLICA in Italian 10 Jan 86 p 38

[Article by Giuseppe Turani: "Gemina Wants To Enter Generali: But Buying Lazard Package Would Not Be Enough To Control"]

[Text] After the Montedison sale, the holding company controlled by Fiat has liquidity of 450 billion and could use a large part of it to gain a foothold in the share company of the most important insurance group in Italy. Among its allies is Camillo De Benedetti.

Milan--According to some, the plan for Agnelli to take control of Generali is now ready, and everything should be over by the first of April. Reportedly the new chairman has already been chosen, and is likely to be Camillo De

Benedetti, now only vice chairman, a very shrewd and prudent financier who has made the Trieste insurance company the real passion of his life. If things go as people are saying these days in the banks and in Piazza degli Affari, Turin will end up with great power in hand. Generali is not only the most important insurance company, it is also a financial structure with wide presence in Italy and abroad. However, no one has exact information. The only way to try to understand what might happen is to lay out what is known about Generali and then try to figure out.

Its real value is not known, and probably is known by only a few people. Among other things, it has huge real estate holdings, built up during the previous half-century and concentrated in the heart of the larger Italian cities. Every year, Generali, and the other companies that belong to it, collect premiums totaling a figure that approaches 7 trillion lira. In December, the Italian stock market estimated that Generali was worth 9 trillion lira (compared to 10 trillion for Fiat, 2.7 trillion for Montedison, and about 4 trillion for Olivetti). Naturally, there are some who maintain that the real value of Generali is three to four times the stock market's estimate of 30-35 trillion.

Furthermore, this company has a feature that is almost unique in Italian finance: no one has ever known who is in command. There is no control syndicate, there are only several "preeminent" blocks. And then, it is the company whose shares are most dispersed among the public. Some time ago it was calculated that more than 70 percent of its shares were held by small and medium savers. Only 30 percent is controlled by big shareholders. This situation is exactly the reverse of the average of Italian companies listed on the stock market.

And now we come to the details and the growth plans, examining the situation of the largest blocks of shares. There are five big shareholders: a) Mediobanca, with 5.3 percent; b) Euralux (holding company for Lazard Bank), with 4.84 percent; c) Banca d'Italia, with 4.54 percent; d) Comit, with 2.34 percent; and e) Fondiaria, with 2.9 percent.

There is no real and proper control syndicate. One can only say that thus far there has been a considerable presence by Mediobanca. Not only because it is the largest shareholder, but also because in a sense it can count on the Lazard block (the relations between the two banks have always been excellent) and also on the Comit block. Broadly speaking, a block of over 10 percent, which nevertheless has never been organized in a syndicate and, all things considered, has never imposed anything on Generali. Instead, more than anything else probably, it has prevented someone getting the idea of taking over Generali. Such an undertaking would have required anyone to assemble a block of more than 15-20 percent (around the "eminent" blocks one would certainly assemble some lesser blocks and that of the Banca d'Italia) with an expenditure that today would be about 2 trillion.

Eminent Blocks

What is the origin of the rumors about a possible Agnelli plan to take over Generali? Two very specific facts:

a. Gemina (in which Fiat is controlling) has sold its participation in Montedison, and thus will soon have 500 billion in liquid assets, ready to be spent.

b. After the arguments that have occurred over Mediobanca and over its image, at the heart of which has for years been Enrico Cuccia, many exponents of Italian capitalism (led by Agnelli) no longer regard the institution in Via Filodrammatici as a secure firm, in the sense that it would be too "public" and too influenced by politics.

At this point, Agnelli, through Gemina, could buy the block of Generali that is in Lazard (equivalent to 4.84 percent) and "Italianize" it, not because Lazard had it (foreign possession), because everyone now regards this as a false argument, but because this block would be "anomalous" and could be the source of many difficulties for substantial institutions of Italian finance. Thus, all you have to do is put two and two together to arrive at the conclusion that Agnelli should, through Gemina, enter Generali as a major shareholder. At which point, it would make an alliance with Camillo De Benedetti and some others, and the trick would have been done: the prestigious company would end up gravitating toward Turin. Many operators, convinced by the reasoning, are steadily buying Gemina shares, overpaying for them, convinced that it will soon become the conducting baton of Generali.

Are they wrong or right? It is not easy to give an answer, but one can make some observations:

1. Has Turin really decided to go out to win a big mouthful like Generali? Big in the sense of financial commitment as well as the reactions this would inevitably cause. On this point no one has specific information. There are only contrasting theories.

2. Does Turin have the means to attack Generali? And, in any case, would this be an advantageous move?

These are two good questions and both should probably receive a negative response. Let us see why.

From sale of the Montedison share to PAF of Varasi, Gemina will receive about 450 billion. Unless the holding company administrators find a method to avoid paying taxes, at least 100 billion of this sum will go to the treasury. It is said that this could be managed by buying Bastogi from Pesenti and merging it with Gemina, thus using Bastogi's tax credit. No one is saying, however, that this could be done in a few months and that it would not cost anything. Furthermore, some experts have calculated that in the next few months Gemini, in order to participate in the capital increases of several companies, will have to spend some 50 billion. Let us assume that the Bastogi tax matter can be resolved with an expenditure of 50 billion. Thus, Gemina faces deadlines for 100 billion. There would remain 350 billion for assault on Generali. However, the block in Lazard alone costs 450.

Having a Voice in Trieste

Let us assume, however, that Gemina made an increase in capital and bought the Lazard block. In the end it would have, for the expenditure of 450 billion, the 4.84 percent of Generali. Camilo De Benedetti could add the shares he holds directly (44,000, or 0.35 percent), and they would be at a little over 5 percent. Is it possible to "control" Generali with this share? The answer is obviously no. On the other side there would be Mediobanca, Comit and Banca d'Italia, in all almost 12 percent. With all the controversy this would raise, yet one would not be able to claim anything, aside from Fiat having some voice also in Trieste.

However, it is said that Gemina could make a big increase in capital (500 billion) and also buy Mediobanca's share, thus reaching about 10 percent. Perfect. But not so perfect:

a. It is doubtful that Mediobanca's share of Generali is saleable at this point. Whoever bought it would have to pay 500 billion, but Mediobanca would have to pay, in tax on the capital gain, about 250 billion. What sense would there be in that?

b. Also in this case, Gemina would not have resolved anything. On the other side, there would remain the 4.54 of the Banca d'Italia, the 2.34 of the Comit, and at that point it is likely that they would mobilize also the 7 percent of Generali in the IMI funds, as well as other smaller blocs related to Comit (for 2-3 percent), plus a series of small family blocks that could also reach 4-5 percent. In short, facing a possible 10 percent collected by Gemina (for an expenditure of about 1 trillion) would be established a block of certainly more than 15 percent, and everything would stay approximately as now.

Considering all this, the most rational conclusions seem to be these:

--Gemina cannot attack Generali because it would have to acquire a share of at least 15-20 percent, with an expenditure close to 2 trillion lira. This is an unreal figure, well beyond the possibilities not only of the Via del Lauro holding company, but also of the Agnelli group itself and of any other Italian group.

It is possible that Gemina may decide, for a series of reasons, to buy the Lazard block in order to "Italianize" it and to strengthen the genuinely private component in Generali, but nothing more. In this case, Camillo De Benedetto could probably gain the chairmanship, having been vice chairman for some time and having always been a leading shareholder in his own right.

However, from what one hears, not all in Gemina are in agreement. Some say, why go and spend 500 billion in Generali to have a minority position and without any hope of one day gaining a majority? Would it not be better to keep this money for other activities? Perhaps to strengthen groups such as Orlando and Pirelli, which have always depended on Mediobanca and which today, in the new situation that has emerged, are having some difficulty?

In other words, it is possible that in the end Francesco Micheli (an expert in climbing) may be right in maintaining that there will always be a lot of talk concerning Generali, but few actions, for the simple reason that anything anyone wants to do would cost too much. The Agnelli offensive may not take place, though one cannot rule out Turin becoming an important shareholder in Generali and asking to have a voice.

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